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Documents on Peace, Victory Anniversary Signed in Almaty

LD1002114895 Moscow ITAR-TASS World Service in Russian 1135 GMT 10 Feb 95

[FBIS Translated Text] Almaty, 10 Feb—The meeting of CIS heads of state and heads of government ended with the ceremonial the signing of the documents that were drawn up jointly. The first to be signed was a memorandum "On the Maintenance of Peace and Stability in the Commonwealth of Independent States" and "A Message to the Peoples of the Commonwealth Member States and to the World Public in Connection with the 50th Anniversary of the Victory Over Fascism."

Summit Ends With Accord Signing Ceremony

LD1002124395 Moscow ITAR-TASS in English 1219 GMT 10 Feb 95

[FBIS Transcribed Text] Almaty February 10 ITAR-TASS—The joint session of CIS heads of state and the CIS council of prime ministers finished in Almaty today.

The session was followed by a ceremony of signing the summit's agreements.

A press conference will be held, chaired by President Nursultan Nazarbayev of Kazakhstan, Russian Prime Minister Viktor Chernomyrdin and CIS Executive Secretary Ivan Korotchenya.

The summit was attended by presidents of 11 and prime ministers of 12 CIS states. Turkmenistan delegated Mejlis (parliament) chairman Sakhat Muradov to the summit of heads of state. Official reports say Turkmen President Saparmurat Niyazov could not come because of health problems.

Heads of State Approve 10 Documents

LD1002202595 Moscow INTERFAX in English 1908 GMT 10 Feb 95

[FBIS Transcribed Text] ALMATY, Feb 10 (Interfax)—The summit of heads of CIS states and governments in Almaty Friday approved 10 documents, Kazakh President Nursultan Nazarbayev reported at a press conference on the results of the summit. He also underlined that three out of 13 issues, discussed in the framework of the Collective Security Council, were adopted, including the Concept on Collective Security and the Declaration of the Member-States of the Collective Security Treaty.

In Nazarbayev's words, participants of the summit also gave their backing to the Memorandum on Peace and Stability in CIS States.

Nazarbayev reported that Russia's Vice Prime Minister and head of the presidium of the Inter-State Economic Committee Aleksey Bolshakov was confirmed as chairman of the collegium of the Interstate Economic Committee, a working body of the CIS Economic Union.

Nazarbayev also said that Russian President Boris Yeltsin invited all leaders of the Commonwealth and heads of 52 foreign countries to attend ceremonies devoted to the celebration of the 50th anniversary of Victory Day on May 9 in Moscow. CIS states obligated to pay expenditures of war veterans attributed to the trip to Moscow to meet with their friends. It was also decided that a Medal of Marshal Georgiy Zhukov, issued in Russia, will be awarded not only to citizens of the Russian Federation but to the veterans in all CIS countries.

Nazarbayev also reported that President Boris Yeltsin informed leaders of the Commonwealth about the situation in Chechnya on his own initiative.

Having acquainted with this information, Nazarbayev said, "we were convinced that the Russian leadership is actively searching for ways to cease hostilities and to settle the situation by means of negotiations."

Memorandum on Peace, Stability Signed

LD1202193395 Almaty KAZAKHSTANSKAYA PRAVDA in Russian 11 Feb 95 p 1

[FBIS Translated Text] The members of the Commonwealth of Independent Countries:

—On the basis of the ties that have developed historically between them, and proceeding from the fact that failure to regulate conflicts between member countries of the Commonwealth of Independent Countries runs counter to the main principles that form the basis for the Commonwealth's existence;

—Expressing their adherence to the aims and principles proclaimed by the United Nations Charter, the Organization for Security and Cooperation in Europe, the Charter of the Commonwealth of Independent Countries and the documents adopted within the framework of the Commonwealth; and taking the view that maintaining peace and stability in mutual relations between states is an inalienable condition for the Commonwealth of Independent Countries to function, a condition that will ensure the economic and sociopolitical development both of each state and of the Commonwealth as a whole;

—Acknowledging that maintaining peace, both within the framework of the entire Commonwealth and in each state within their generally recognized borders, is in keeping with the interests of these countries' peoples;

state the following:

1. Member states of the Commonwealth of Independent States will refrain from applying military, political, economic, or other forms of pressure toward each other.

2. The states that are signatories to this memorandum intend to cut short, in accordance with their national legislations, the formation and operation on their territories of organizations, groups, and individuals, which

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are directed against the independence, territorial integrity, or inviolability of borders of the states that are signatories to this memorandum, or which are aimed at exacerbating interethnic relations or at encroaching on the signatories' state systems from outside.

3. The states confirm the inviolability of each others' existing borders and are against any action that would undermine the stability of these borders. They will also resolve any disputes that arise over borders and territory only by peaceful means.

4. Should any situation arise that affects the security interests of any state, which is a signatory to the present memorandum, it may request the other Commonwealth member states to hold urgent consultations.

5. The states will refrain from any direct or indirect interference in the internal affairs of any other member state that is a signatory to this memorandum.

6. The states will refrain from participation in alliances and blocs directed against any Commonwealth member state.

7. In accordance with their national legislation and international standards, Commonwealth member states will undertake measures on their territories to cut short any manifestation of separatism, nationalism, chauvinism, or fascism.

They will promote objective publicizing of the sociopolitical processes taking place in other Commonwealth member states.

8. The states undertake not to maintain separatist movements on other member states' territories, or separatist regimes, should these arise; not to establish political, economic, or other ties with them; not to allow them to use Commonwealth member states' territories or communications; and not to give them economic, financial, military, or other assistance.

9. The states will support each others' efforts to further consolidate confidence-building and security measures between the member states of the Commonwealth of Independent States.

Concluded in the city of Almaty on 10 February 1995 in one authentic copy in Russian. The authentic copy is to be held in the archive of the Government of the Republic of Belarus, which will send an authenticated copy to each state that is a signatory to this memorandum.

The memorandum was signed by the heads of all CIS member states. The Armenian party expressed a special opinion on Paragraphs 7 and 8.

'Text' of Memorandum

LD1002173795 Moscow ITAR-TASS World Service in Russian 1511 GMT 10 Feb 95

[FBIS Translated Text] Almaty, 10 Feb—At Kazakhstan's suggestion, the heads of states of the CIS at their meeting in Almaty today adopted a "Memorandum on maintaining peace and stability in the Commonwealth of Independent States." The full text of that document follows:

"The members of the Commonwealth of Independent States, on the basis of the historically developed links between them, and proceeding from the basis that the absence of regulation of conflicts between the CIS members runs counter to the basic principles that form the basis of the existence of the Commonwealth, expressing their adherence to the aims and principles declared by the United Nations Charter, the Organization for Security and Cooperation in Europe, the CIS Charter, and the documents adopted within the framework of the CIS, and considering that the maintenance of peace and stability in mutual relations between states is an absolute requirement for the functioning of the Commonwealth of Independent States, ensuring the economic and sociopolitical development of each state and of the Commonwealth as a whole, recognizing that the maintenance of peace both within the framework of the whole Community and in each of the states within universally recognized borders is in the interests of the peoples of those states, states the following:

"1. The members of the Commonwealth will refrain from military, political, economic, and other forms of pressure on each other.

"2. In accordance with their national legislatures, the states that have signed this Memorandum intend to cut short organizations, groups, or individuals organizing and operating on their territories in opposition to their independence, their territorial integrity and the inviolability of their borders, or exacerbating interethnic relations or encroaching upon the state systems of the states that have signed this Memorandum from without.

"3. The states confirm the inviolability of each other's existing borders and oppose any move to undermine their stability and will settle all disputes arising with regard to border and territorial issues by peaceful means alone.

"4. Should a situation arise that affects the security interests of any state that has signed the present Memorandum, it may ask the other members of the Commonwealth to hold immediate consultations.

"5. The states refrain from any direct or indirect interference in the internal affairs of another member state that has signed this Memorandum.

"6. The states will refrain from participation in unions or blocs aimed against any member state of the Commonwealth.

"7. In accordance with their national legislatures and international norms, the members of the Commonwealth will take measures to cut short any manifestations of separatism, nationalism, chauvinism, and Fascism on

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their territories. They will assist in reporting the socio-political processes in other members of the Commonwealth.

"8. The states undertake not to support separatist movements and, if such arise, separatist regimes on the territory of other members; not to establish political, economic, and other links with them; not to allow them to make use of the territories and communications of members of the Commonwealth; and not to render them economic, financial, military, and other assistance.

"9. The states will support each other's efforts to further strengthen measures of trust and security between members of the CIS.

"Concluded in the city of Almaty on 10 February 1995 in one original copy in Russian. The original copy is kept in the archives of the government of the Republic of Belarus, which will send each state that has signed this Memorandum its own certified copy."

The memorandum was signed by all heads of state of the CIS who attended the meeting in Almaty. The Armenian party expressed its own opinion on points seven and eight.

Summit Extends Yeltsin's Mandate To Chair Council

LD1002121595 Moscow INTERFAX in English 1108 GMT 10 Feb 95

[FBIS Transcribed Text] ALMATY, February 10 (Interfax)—The Commonwealth summit extended President Yeltsin's mandate to chair the Council of the Commonwealth Heads of State, a spokesman for one of the delegations to Almaty told Interfax.

In keeping with an earlier agreement, Azerbaijan's President Heydar Aliyev was to have replaced Yeltsin. But, the Almaty summit said, it made no sense for the leader of a warring republic to chair the Council of the Heads of State. Azerbaijan has been involved, since 1988, in the Karabakh conflict.

The Council of the Commonwealth's Heads of State approved President Nazarbayev's suggestion for sending representatives of the republics' war veterans' organizations to Germany on May 9. The war veterans will pay tribute to the memory of the Soviet troops killed in Germany at the end of World War II.

Yeltsin Retains CIS Chairmanship

LD1002204495 Moscow INTERFAX in English 1852 GMT 10 Feb 95

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] Russian President Boris Yeltsin said he was "satisfied" with the Almaty meeting of the CIS Council of Heads of State. He told journalists in Almaty Friday that most issues on the agenda had been resolved.

Not unexpectedly, the summit extended Yeltsin's chairmanship of the council for another year.

Under an earlier rotation agreement, Azerbaijan's Heydar Aliyev was to take over the chairmanship but as his country is involved in the Karabakh conflict he was regarded as ineligible.

Yeltsin told the council meeting that the chief priority was to consolidate the cooperation. He emphasized that numerous agreements on integration and cooperation had been signed but there was no implementation in sight. This was especially true of economic agreements, Yeltsin emphasized.

He said that a big step forward was needed in economic integration of the Commonwealth. Yeltsin emphasized that there was no alternative to this but that no integration was possible unless all commonwealth member nations had a political will to do so.

He made it clear that Russia did not impose anything on anybody. Yeltsin said that some member states were not prepared to cooperate in the economic field. In particular, he said, certain countries had not appointed their representatives to the CIS International Economic Commission.

The summit agreed with Yeltsin that the committee had to be chaired by Aleksey Bolshakov, Russian deputy prime minister, for an interim period of about six months.

The presidents signed a Peace and Stability Memorandum proposed by Kazakhstan's Nursultan Nazarbayev. The signatories confirmed the inviolability of one another's boundaries and inadmissibility of any activities undermining the boundaries and undertook to desist from bringing military, political, economic and other kinds of pressure to bear on one another and to prevent the activities of organizations and individuals on their soils aimed against the territorial unity and inviolability of the boundaries of CIS member states.

Separatism in certain Commonwealth member states was discussed against this background. The heads of state told foreign and defense ministers and border guards to work out guidelines for solution of the Abkhazian problems. This problem was the subject of Georgian leader Eduard Shevardnadze's statement which the experts who witnessed it described as "emotion-charged."

The CIS heads of state rejected the guidelines on patrolling the Commonwealth external border and sent them back for revision. A decision was made that the defense and foreign ministers and border guard chiefs had to work out a new concept which would recognize the positions of Azerbaijan, Ukraine and Turkmenistan. IF Note: Azerbaijani Foreign Minister Hasan Hasanov said that his country rejected the draft treaty on cooperation

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in protection of foreign borders which disregarded his country's interests. Baku wants both the external and internal borders to be maintained as they had been before, in his words, Armenia had occupied over 130 kilometers of the Azerbaijani-Iranian and Azerbaijani-Armenian border and captured 20% of Azerbaijan's total area. The Ukrainian delegation also had its own opinion of the draft. Kiev believes that the Ukrainian state border had to be protected by Ukrainian troops.

The Councils of Defense Ministers, Foreign Ministers and border guard commanders also decided not to submit to the Council a draft on protection of the CIS external borders. Only Russia, Kazakhstan, Tajikistan and Kyrgyzstan were prepared to sign the draft. The other CIS member states admitted the need for cooperation in border protection but wanted to have a more carefully prepared document.

The Commonwealth leaders called for "a full-fledged peacekeeping operation in Tajikistan" under a UN aegis.

The CIS Council of Heads of States also adopted a proposal made by Nazarbayev that representatives of veteran organizations from all CIS member states be sent to Germany next May to honor the Soviet officers and men who died there at the end of World War II.

The heads of the Armenian, Belarusian, Georgian, Kazakh, Tajik, Russian, Ukrainian and Uzbek delegations approved guidelines on a joint air defense system.

Azerbaijan which hosts a large missile defense early warning system held a special position. IF Note: Certain military experts believe that no integral air defense system is feasible without that installation. Azerbaijani officials make the participation of their country in the air defense system contingent on conditions favorable for Baku of operating that station by Russia and other Commonwealth member states.

The conditions of operating the installation will be agreed through Russian-Azerbaijani talks.

As at earlier summits, the delegation used this opportunity for bilateral talks on specific issues.

In particular, Yeltsin and Moldova's Mircea Snegur signed during a break in the plenary meeting a protocol on the principles of bilateral relations which will be annexed to the 1990 treaty which had been ratified only by Moldova.

Russian Prime Minister Viktor Chernomyrdin and his Kazakh counterpart Akezhan Kazhegeldin signed an agreement under which Russia officially joins the operation of the Karaganak oil and gas condensate field. IF Note: The field, one of the world's largest, is in Kazakhstan's Urals Region bordering on Russia. Russian Gazprom concern had obtained 15% of the rights and liabilities in the Anglo-Italian British Gas-Agip alliance at the end of 1994. Under the agreement, signed by the Kazakh Oil and Gas Industry Ministry and Gazprom, on joint exploration and operation of the field Kazakhstan made Gazprom a legally equal partner in the project. The Karachganak field was discovered in 1979. It stores over 1.3 billion cubic meters of gas, 850 million tonnes of gas condensate and about 340 million tonnes of oil. Before the collapse of the USSR in 1992 Gazprom had invested 800 billion rubles in the prices of 1993 in the field. British Gas-Agip won a bid in 1993 for an exclusive right to hold talks and sign an agreement on the field with the Kazakh Government.

The possibility of Ukraine joining the customs union of Belarus, Kazakhstan and Russia was discussed unofficially in the summit. Yuriy Krasavchenko, chairman of the Ukrainian State Customs Committee, told journalists that the CIS agreement should not override national legislation. He said that Ukraine was prepared to consider the possibility of joining the basic provisions of a CIS customs union. Krasavchenko explained that Kiev wanted "a measure of harmonizing" the customs legislations of the CIS member states.

Krasavchenko objected to agreements which might infringe on his country's sovereignty. He said that Ukrainian customs officials had good working relations with their Russian colleagues. Krasavchenko added that a first checkpoint, meeting all international standards, would soon be opened between the Donetsk Region of Ukraine and Russia.

Meanwhile, the Council of Ukrainian Democratic Parties called on President Leonid Kuchma to quit the CIS at this summit.

Nazarbayev who chaired the meeting said at a news conference at the end of the Almaty meeting that the Russian president had invited all leaders of the Commonwealth member states and 52 other countries to Moscow on May 9 attend the celebrations of the 50th anniversary of the victory over Nazism. The CIS member state leaders undertook to pay the travel expenses of war veterans making a trip to Moscow. The Marshal Georgiy Zhukov Medal will be awarded to veterans in all CIS member states as well as Russia.

Nazarbayev said that the heads of states passed 10 documents and made a decision on three out of the 13 items on the agenda. In particular, the concept of collective security and a declaration of Collective Security Treaty signatories were adopted.

Chernomyrdin who chaired the meeting of the Council of Heads of Government said that the prime ministers approved over 10 documents in Almaty, in particular the concept of mutual legal settlement of economic matters and creating equal conditions for economic activities in the countries which are members of the Economic Union.

Nazarbayev said that Yeltsin briefed the Commonwealth leaders on the situation in Chechnya. Nazarbayev said that his impression was that the Russian leaders

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looked for ways to have the hostilities stopped and resolve the dispute through negotiations.

According to Interfax's sources, the next CIS summit will be held in the Belarusian capital Minsk on May 26.

'No Important Step Forward' Taken at Almaty Summit

MM1302120795 Moscow PRAVDA in Russian 11 Feb 95 p 1

[Article by Igor Lenskiy: "Second Time Around. PRAVDA Special Correspondent Reports from Almaty"]

[FBIS Translated Text] The CIS countries will celebrate the 50th anniversary of the victory over fascism 9 May 1995 together on Moscow's Red Square—that is the main practical result of the presidents' meeting in Almaty.

At Nursultan Nazarbayev's suggestion, war veterans from throughout the Soviet Union, not just Russians, will be awarded the Order of Marshal Zhukov. It has been decided that the CIS countries will assume the cost of travel to Moscow for all Great Patriotic War participants.

According to N. Nazarbayev, around 30 questions pertaining to the further deepening of integration were examined in Almaty. Moreover, so the Kazakhstani president believes, the idea he put forward about a year ago of a Eurasian Union has given this process a strong boost. A collective security concept and its basic guidelines were adopted.

Regional conflicts were as usual discussed outside the framework of the main program. But whereas Heydar Aliyev and Levon Ter-Petrosyan, who were staying in the same hotel, the "Dostyk," radiated optimism after the meeting, Eduard Shevardnadze's attempts to draw attention to Abkhazia bore no particular fruit.

On the initiative of Boris Yeltsin himself the presidents heard a report from him on Chechnya. It may be concluded from Nazarbayev's evasive explanations (Boris Nikolayevich did not attend the press conference; he was replaced by Chernomyrdin) that no one expressed approval of the bloodshed, although there was no criticism either. Which is not surprising. Some of the presidents are already experiencing and others may quite well soon encounter similar problems in their own states.

The general basic principles of customs legislation were ratified. The Russian-Kazakhstani accords indicate that the creation of a customs union has finally entered the practical plane. Admittedly, the question of this step's utility remains open: Anyone who has visited the customs posts can see for themselves that virtually everything is exported from Russia to Kazakhstan and practically nothing from Kazakhstan to Russia.

It was noted with our people's characteristic optimism that the building of the CIS economic union is going successfully (although if you study the prices in Almaty's stores you could not say that). On the other hand the Interstate Economic Committee is now obtaining an establishment and a collegium chairman in the person of Russian Vice Premier A. Bolshakov.

An interesting controversy arose over the document on peace and stability in the CIS. Not for the most part over its content but over... its title. It was decided by seven votes to five to call it a memorandum rather than a pact. The subtlety lies in the fact that a memorandum, unlike a pact, is not binding.

Needless to say, the document is ambiguous. For all its positive qualities it may have an adverse effect on the future of ethnic Russians in the near abroad. Kazakhstani Supreme Council deputies, leaders of Russian and Slav associations, and leaders of the Semirechensk and Ural cossacks representing the 8-million Russian diaspora in Kazakhstan asked President Yeltsin to receive them. However, regrettably the official banquets proved more important for the president....

Despite the bureaucratic rhetoric, in my view no important step forward capable of directly affecting the daily lives of 300 million former Soviet people was taken in Almaty. You cannot reassure anyone today with words alone, even such appealing words as "rapprochement," "integration," "deepening," and "detailing" [detalizatsiya].

CIS Executive Secretary Ivan Korotchenya made an instructive comment: "Many documents concluded in the CIS in the past have become outdated; they do not match its present state and should be revised."

There you are. So, everything is going to happen for a second time. But for how much longer?

Nazarabayev Notes 'Substantial Progress' in CIS Relations

LD1002141995 Moscow ITAR-TASS in English 1407 GMT 10 Feb 95

[By unidentified ITAR-TASS correspondent]

[FBIS Transcribed Text] Almaty February 10 TASS—"In spite of the numerous unavoidable difficulties, substantial progress has nevertheless been made by the Commonwealth of Independent States," Kazakh President Nursultan Nazarbayev, who presided over the joint meeting of the CIS Council of Heads of State and Council of Heads of Government, told the participants of this session here today.

He said that this could be observed clearly in the sphere of economic cooperation, especially in the creation of an economic union. "It can be said that zones of active integrational processes have now appeared, including interaction between Russia and the Belarus Republic, and between Russia, the Belarus Republic and Kazakhstan. These processes are developing actively in the Central Asian region—between Kazakhstan, Uzbekistan and Kyrgyzstan," he noted.

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"Several important decisions were adopted to develop the relations between Kazakhstan and Russia," Nazarbayev said. "They can be used as a model for resolving similar problems in bilateral and multilateal relations within the CIS as a whole," he added.

The Kazakh president urged the participants of the meeting to approve the draft memorandum on measures to safeguard peace and stability within the CIS, which was submitted for their discussion on the initiative of Kazakhstan. Nazarbayev expressed the conviction that the adoption of this memorandum and its implementation would help strengthen the process of liquidating the existing zones of instability, would ensure peace and concord on the entire territory of the Commonwealth.

In connection with the appoaching 50th anniversary of victory over Fascism Nazarbayev stressed that by marking this date the CIS nations were not only paying tribute to the people who had made possible this great victory, but were serving warning to the reactionary forces that still exist in this world.

Sees Deeper CIS Integration at Summit

MM1302094195 Moscow KRASNAYA ZVEZDA in Russian 11 Feb 95 p 1

[Report by Anatoliy Ladin and Vladimir Maryukha: "Almaty: Commonwealth Heads of State Council Adopts Collective Security Concept"]

[FBIS Translated Text] The latest meeting of the CIS Heads of State and Government Councils ended in Almaty 10 February. Kazakhstani President Nursultan Nazarbayev and Russian Federation Prime Minister Viktor Chernomyrdin spoke at the final press conference, chaired by CIS Executive Secretary Ivan Korotchenya, and answered journalists' questions.

Assessing the event, Nazarbayev noted that its main result has been to further deepen integration processes within the CIS. In all, around 30 issues relating to the political, economic, and military interests of the Commonwealth states were discussed. Twelve documents were submitted on questions of collective security. But only two were examined and adopted. More than 10 documents were examined by the heads of government. There were no major disputes or differences in adopting the documents, Nursultan Abishevich said.

At the heads of state session the first group of issues considered related to the Treaty of Collective Security signed in Tashkent in 1993. This time a Collective Security Concept was adopted, as were the basic guidelines for military cooperation between the treaty members, a Declaration on Collective Security, and several other documents regulating procedural and organizational aspects of the Collective Security Council's activity.

The group of other issues related to economic problems. The fundamentals of customs legislation in the CIS member states were confirmed, and the measures submitted by Ukraine for the creation and preservation of a common scientific area were agreed.

The participants in the Almaty summit of CIS heads of state and government also devoted attention to currently important peacekeeping problems and to problems relating to the protection of the Commonwealth countries' state borders. The heads of state session discussed the Concept for the Protection of External Borders by CIS States' Border Troops, the Treaty on Cooperation in the Protection of the Commonwealth's External Borders, the Protocol on Collective Peacekeeping Forces, and joint measures relating to their material and technical provision. These documents were discussed and commented upon. They will be finally adopted at the next CIS heads of state session.

The CIS leaders adopted an appeal to the peoples of the CIS countries and the world public in connection with the 50th anniversary of the victory, as well as a Memorandum on Maintaining Peace and Stability in the CIS.

Russian President Boris Yeltsin invited all heads of the CIS states to a general celebration of the victory anniversary in Moscow, to which 52 heads of state from the far abroad will also be invited. Nazarbayev, for his part, asked the Russian president about the possibility of awarding the Order of Zhukov to mark the 50th anniversary of the victory not only to Russian Federation veterans but to veterans of other Commonwealth countries. Boris Nikolayevich Yeltsin agreed to this.

Nazarbayev also proposed that each state find funds to ensure that on the eve of the victory anniversary veterans are able to travel to meet with their comrades in different Commonwealth cities. This proposal too was adopted.

Questions relating to Tajikistan were discussed in detail. The CIS heads of state listened to information from Russian President Boris Yeltsin about events in Chechnya.

Russian Prime Minister Viktor Chernomyrdin, briefing journalists on what had happened at the Council of Heads of Government session, described the issues that were discussed as mainly economic.

A temporary structure and staff roster for the Interstate Economic Committee were adopted in Almaty. It will be based in Moscow, in a building specially allocated for it. The heads of government also adopted a provision on an interstate council for the social protection and health care of citizens who have been affected by radiation. In all, the heads of government signed 13 agreements. These were all aimed, as Chernomyrdin put it, at deepening economic integration between the CIS countries.

Nazarbayev, Chernomyrdin Give News Conference

LD1102175495 Moscow Ostankino Television First Channel Network in Russian 0653 GMT 11 Feb 95

[News conference with Kazakh President Nursulatan Nazarbayev and Russian Prime Minister Viktor Chernomyrdin on results of CIS meeting of heads of state in Almaty on 10 February—recorded]

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[FBIS Translated Text] [Nazarbayev] Esteemed ladies and gentlemen, the summit meeting of the heads of states of the CIS has just ended. One can say that the overall result is the further deepening of integration processes in our Commonwealth. Documents were prepared for signing by the heads of states, a total of 10 documents and two more categorized as miscellaneous, making 13 [as heard] documents. Twelve documents were put forward on questions of the Council of Collective Security and two documents were discussed and adopted; and over 10 documents by the heads of governments which Viktor Stepanovich will tell you about. I would like to say that the states' leading experts prepared these documents and, therefore, there were no major disputes or disagreements over adopting the documents.

The first block of questions considered at the meeting of the Council of Heads of States included those connected with the Treaty on Collective Security signed in 1993 in Tashkent. A concept of collective security was adopted, the basic direction of military cooperation among the states which are parties to the treaty, a declaration of collective security and also several documents which regulate the procedural and organizational aspect of the activity of the Council of Collective Security.

The next group of questions, which could even be considered the first in importance, covered economic matters. We confirmed the bases of the CIS member states' customs legislation. Measures were agreed on creating and preserving a common scientific space, which was put forward by Ukraine. I consider that the considerable drawing together of the positions of the sovereign states on a number of current economic problems makes it possible to say that construction of a CIS economic union is proceeding successfully. Progress was made particularly last year, as you know.

In view of the disturbed times in which we live, questions of peace-keeping activity and the protection of the state borders of the Commonwealth member countries are of vast importance. Much work has been done on this issue and the council meeting discussed the concept of the defense of external borders by border troops of the CIS member states, a treaty on cooperation in defending the external borders of the CIS countries, a protocol on collective peace-keeping forces and joint measures for providing them with material and technical back-up, which as I said we concluded in 1993. They were discussed, criticisms were voiced. They will be finally adopted at one of the next meetings.

And finally the heads of state adopted an appeal to the peoples, the CIS member countries and the world community, in connection with the 50th anniversary of the victory over fascism, and a memorandum on maintaining peace and stability in the CIS, the draft proposed by me. This latter document was proposed at this meeting by Kazakhstan. I believe that today there is no greater task than to provide people with a peaceful life and give them confidence in the future. The memorandum on peace and concord on the territory of the CIS was adopted by the heads of state as a most important political document at this difficult stage of our development.

On the 50th anniversary of victory, Boris Yeltsin, president of Russia, invited all of us to a joint celebration in Moscow on 9 May; and 52 heads of state from the far abroad have also been invited. I asked, and Boris Nikolayevich agreed, that the Marshal Zhukov Order which has been instituted in Russia should be awarded not only to citizens of the Russian Federation but—since we were all in the same ranks together—also to Kazakhstan and the other states of the CIS, and their participants and invalids could be awarded this order and for this we thank the Russian side.

I put forward the proposal that the state and government should undertake expenditure to help each participant in the war, each war veteran to get together and meet their comrades-in-arms on the territory of the former Soviet Union. Perhaps this will be their last meeting with their comrades-in-arms. This proposal was also adopted.

Much work was carried out at the meeting of the Council of Heads of Government, as will be reported here. Here there was discussion mainly of social and economic questions. We heard in detail of the problems in Tajikistan and listened to a report from Boris Nikolayevich Yeltsin about events in Chechnya. That is, in brief, the contents of our work today. Thank you.

[Chernomyrdin] Esteemed ladies and gentlemen, the meeting of the heads of government considered a number of issues, in the main of an economic character and orientation. I should like to say that this was in addition to what the heads of state considered. The main issues considered were adopted. First of all I should like to pick out from the agenda the adoption of coordinated decisions on problems regarding the reciprocal legal regulation of economic relations and the levelling of conditions for economic activity between our states. This is of great importance at the present stage that we are going through. Naturally this is an important matter that we must above all finalize in order to make further progress in our economic relations.

I should mention too the decisions adopted today that will help unification and the introduction of a single system of standardization in the CIS countries. The matter of creating a common specific basis for economic union is very important.

We also discussed a very big, important and necessary issue and adopted a decision on it: this concerned such a key and acute problem as the interaction of CIS member countries in the sphere of rail transport. At present all of us are in point of fact greatly concerned over the difficulties that exist in the south and the difficulties over price rates that vary in the different countries. Considering the unique fact that we cover an enormous area and have such a complex geography this is an issue which requires particular consideration, and today relevant decisions were adopted.

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We adopted decisions on setting up [pauses] after consideration we adopted the temporary structure, establishment and expenditure estimates for the Interstate Economic Committee, which will be located in Moscow. A special building and premises are being allocated to it for its work.

We adopted provisions for an interstate council on social protection and health care for citizens who have been subjected to the effects of radiation.

An issue requiring particular attention—Nursultan Abishevich has already spoken of this and the issue was also prepared by us for the heads of state and their separate consideration—concerned the holding of the 50th anniversary of victory celebrations in Moscow. This is now a complex and difficult issue, but the marking of the 50th anniversary of the great victory is a notable and necessary thing at the present time. We regard it particularly necessary for those who forged the victory and have survived to the present day. We, their descendants, will try to thank those who accomplished this victory in connection with this key event in our lives.

In all more than about 13 issues were considered and more than 13 agreements were signed. It only remains for me to repeat that all this was directed at the further integration and implementation of our economic laws.

[Chernukhova] Marina Chernukhova, Radio Rossii. I have a question for the president and the premier. In your opinion, can the present meeting be described as a step toward real integration? Thank you.

[Nazarbayev] I believe that the best step toward real integration, and in particular the problem of its dynamic, was taken in 1994—especially toward the end of the year. I can tell you with some pride that the Eurasian Union initiated by Kazakhstan at the beginning of last year moved it on. We have accepted an interstate economic union, an interstate economic committee—although there are those who dislike the word. The actual integration of the regions—here, Uzbekistan, Kyrgyzstan, Kazakhstan—has begun. As you know, Russia, Kazakhstan and Belarus recently signed a customs union, undertaking certain obligations. All of this goes to show that a two-speed integrationary process is still under way on the territory of the CIS.

Today there are more in favor of integration than, so to speak, against. Therefore I believe that today's summit was yet another step on the path to integration. If only because, as Viktor Stepanovich just told you, concrete decisions are being taken on the question of the interstate economic committee and its executive organs, its establishment and so on, and it will come. And furthermore, Russian Deputy Premier Bolshakov was confirmed as chairman of the collegium of this interstate economic committee. These are specific steps to put our decisions into action. That is my opinion.

[Chernomyrdin] It only remains for me to add for everyone here, for the audience here, for the press, that the issue of the integration of our economies is today far from simple. It is far from simple. And the fact that today we have arrived at so important an issue as the signing of such a customs union between three states means that this is essentially the first step in three years. This is a very important step which we have accomplished. We are convinced, and I am convinced, more and more, that today there are people who wish to adhere to this document which we have signed. It is more than a customs union. It is more than just the lifting of customs. Essentially, a lot of documents and a lot of laws will correspond in our relations and in our countries. That future which we see for ourselves in the maturing, in the creation of an economic union follows on from this. I can now say that I am convinced that this union will exist.

[Tajik Television correspondent] Tajik Television. Nursultan Abishevich, what concrete measures and decisions have been taken on peace-keeping and border affairs, and also on expanding the powers of the collective peace-keeping forces in Tajikistan? Thank you.

[Nazarbayev] At a separate meeting of heads of state we discussed this question in great detail and, it must be said, for a long time. We listened to information from the Tajik president, Emomali Rakhmanov; we listened to the commander-in-chief of the Russian border troops on the situation forming just now. On the whole it was noted that there are signs of stabilization and of a reduction in the number of the opposition who are fighting. However it's not all that simple. I will tell you frankly that it was noted that the Tajik leadership is not taking enough measures in order to work constructively with the opposition. We all responded positively to the appeal from the Tajik president to help in the creation of Tajikistan's own border forces with material and technical resources.

If I put it briefly, then Russia, Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan, which are working on this aid just now, have decided not to weaken this support, this aid, today to Tajikistan. But we said that this state itself must go along the path towards stabilization inside its own state and enter dialogue with the opposition. Because we all understand what this is about. It is a break through from below. We also know what states are participating with what aim, and so the interest of the whole CIS, and first and foremost of the Central Asian region, is there.

[LITERATURNAYA GAZETA journalist] LITERATURNAYA GAZETA, Moscow. I have a question for the president of Kazakhstan. Mr. President, were there any differences of opinion in principle or disagreements among any of the delegations on the package of documents under examination? If they did emerge, what were they specifically about? Thank you.

[Nazarbayev] You know the heads of delegations spent almost two hours in a separate session discussing the issues. This shows that there was a very lively discussion

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of all the problems and issues on the agenda. They included the 50th anniversary of the victory over fascism and the pact in support of peace as I would have wished to call it, since it would have been an obligation to the states which signed the pact. But it was voted by seven to five to make it a memorandum to avoid complicating the adoption of the documents if the treaty—pact—is ratified by the parliaments. I agreed to this.

Next. There were also questions about the concept of defending the external borders which in this respect infringe the national legislation of the countries. That is why some amendments had to be and were introduced. You might have noticed that 13 questions had been put forward about the council for collective security and only three adopted. These include the concept of collective security, the main areas of military cooperation and the declaration on collective security. A discussion of the other 10 issues has been postponed since the heads of state failed to agree on them.

We discussed the further presidency of the CIS chartered bodies following a discussion of our proposal i.e. of the heads of states outside Russia, that during the period when the Interstate Economic Committee and interstate organizations of the CIS for economic union are establishing themselves President Yeltsin should remain for this period since we intentionally retained Moscow as the Interstate Economic Committee's headquarters. That is why there should be no politicking on this matter about why we are doing such a thing. The realities of today must be understood. Though President Yeltsin told me on the telephone and also today that he did not want a Russian presidency, we agreed that for this period the Russian presidency would continue—not only that of President Yeltsin but also of Russia—in all the bodies, that is, the head of the Russian government is head of the CIS governments [as heard]. The same applies to commander-in-chief and other CIS bodies. We passed a unanimous decision to this effect.

[Unidentified journalist] I have a question for Viktor Stepanovich. Approximately 250 km of Azerbaijan's border with Armenia and 150 km of its border with Iran has been occupied by Armenia. In this respect can one speak of collective security and the protection of the borders, and could one consider that, on the whole, these members of the Commonwealth were in a state of war?

And a second short question. Do you see any similarities between the conflict with Chechnya and the Karabakh issue? Thank you.

[Chernomyrdin] As for the second question on what the conflicts in Chechnya and Karabakh have in common, I would not equate them or anything of that sort. The Chechnya conflict is an internal Russian conflict. It is a complicated one for us. The foundations of the conflict were laid down three years ago. No civilized way to resolve the problem was found and the situation went to extremes. Once again I would like to say that this is our own, purely Russian conflict.

As for the conflict in Nagorno-Karabakh, all of us here are aware of it. We all know how it started and what is going on now. We simply want to wish that Azerbaijan and Armenia find an understanding and a solution to settle this conflict.

As for the protection of our common borders, it is mainly a question of bilateral relations. At present the alliance which has been created in our border subunits is not a new issue and not one that has been discussed for the first time. But now specifically we can say that the customs union signed by three states means we have reached the old Soviet borders where the border and the customs will be.

As for the protection in general of the borders among all of the states, this will for the time being done on a bilateral basis. This includes Azerbaijan. I can only speak here about Russia and Azerbaijan. I think we will be able to find a solution on the protection of the border between Azerbaijan and Iran. This is something we shall no doubt be discussing with Azerbaijan.

[NEZAVISIMAYA GAZETA journalist] NEZAVISIMAYA GAZETA. I have one question to President Nazarbayev and one question to Viktor Chernomyrdin. President Nazarbayev, doesn't the adoption of the memorandum mean that your CIS colleagues are calmer in their attitude to the general channel of such initiatives as the Eurasian Union. And do you not think that in this case an integration bloc as closely bound as the European Union in Europe or the NATO bloc will be formed on the post-Soviet territory? And a question to you, Viktor Stepanovich, I have a question about the Chechen situation. As you know, Russian diplomacy is in a fairly difficult position due to the events there. Did you feel support from your colleagues, the CIS presidents and prime ministers, here at the Almaty meeting?

[Nazarbayev] My draft for organizing the Eurasian Union was put forward officially by me at the last summit in Moscow, as you know. But at that summit a general decision was adopted: to greet Nazarbayev's draft on the Eurasian Union with approval and lay down the ideas put forward there as the basis of the integration process. As you see, everything that was laid down—the economic union, the common customs area, the common external frontier—they are gradually being implemented. In particular the 17 documents signed by Russia and Kazakhstan in January this year which took our relations to an absolutely new level are evidence that this process is advancing. And the solution of the questions between Russia and Kazakhstan on a simplified citizenship, when people are given the opportunity to choose the citizenship they want, could be a common example for the whole territory of the CIS, which I spoke about today. Therefore the two-speed movement to integration is going on. There are states which are not ready, there are states which have gone further forward, I think that this is normal. There is no need to force or drive anybody. If you want to know my personal

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opinion, I consider that the integration process has gained more speed than previously.

[Chernomyrdin] As regards your question on Chechnya, I did not feel any difficulties here. There is support for Russia's policy in this area from all our states. It is our Russian problem. It is up to us to resolve it and we will resolve it.

[Mir correspondent] When one or two states have their own partners rather than having to deal with 10 unreliable states, don't you think that bilateral or trilateral agreements produce something more tangible than these multilateral relations, which do not bring fruitful, tangible results? That's the first question, to you. And the second question, to you, Viktor Stepanovich. You mention all the time the agreements signed in Moscow between Kazakhstan, Russia, and Belarus, in particular the one on a customs union, but Russia has already laid down certain conditions to be observed before it removes its customs barriers. Kazakhstan has removed theirs, but not Russia. Why, can you explain?

[Nazarbayev] I do not want to set in opposition the Eurasian Union and the CIS, or territorial and bilateral agreements and the CIS as a whole. I believe they complement one another. Let's introduce the the Eurasian idea, let us talk about the Eurasian idea first. Whether we want it or not, it has been known for a long time that our ancestors had lived in the Eurasian area of our subcontinent where they had gone through conquests and calamities together. Therefore the Eurasian idea and that of the CIS, one could say, are not opposed to each other but complement and develop one another. As for the signed customs union, then in the documents, and you might have seen them, or will see them, it is stated that all three states have agreed that it would take four months to introduce it. This is mostly the technical side. It means that all joint border posts on all borders between the CIS countries and other foreign countries must be transferred further on. This is the main cause. This is simply a technical point, nothing ideological. No one is going to adopt any more documents. Once all these technical problems are solved, all obstacles will be removed.

[Grishenko] Grishenko, INTERFAX. I have a question for Viktor Stepanovich [Chernomyrdin]. Viktor Stepanovich, you said that you are now confident that there will be an economic union. Nursultan Abish-uly [Nazarbayev] said that there are advanced countries and there are those that are less advanced. Would you be so kind as to tell us if you discussed other countries joining this union? Did you discuss this today? Or have you discussed this before? Thank you.

[Chernomyrdin] Well, I can tell you that yes, other states have made approaches. Approaches were made both before and after the three states signed the customs agreement, and they were also made today, at meetings of heads of state and governments. So there are other countries who wish to become part of this customs union. I should tell you that it took us basically a year and a half to draft the terms of the agreement. A year and a half to create and sign these documents. There are parties taking an interest in joining.

[Nazarbayev] I can add that when we were drafting our customs legislature, it turned out to be the closest to the Russian customs legislation. And I think that there won't be any big problems between Russia and Kazakhstan in bringing our customs legislation into line with one another. And I am certain, Viktor Stepanovich, that we will do it before anyone else. He and I [Chernomyrdin] wanted to do this last year; we discussed it when we were together between Kokchetav and Omsk inspecting all those installations. At that time Russian legislation didn't permit it. I think that we will make a big effort now. To take an example, Kazakh enterprise directors have told me that things have already become easier. Our relations have changed since we signed this document. With God's help we'll lift customs duties and tax on each other's goods transit through the territories of Russia and Kazakhstan and that will be a boon to all our goods producers.

[Zaman correspondent] My question is for esteemed Viktor Stepanovich. The Kazakhs have a proverb. If a hand is proffered to you in good faith, answer in kind. Sadly, not all of the constructive agreements between Kazakhstan and Russia have yet been implemented. Do you see Russia changing its policy on this matter? Thank you.

[Chernomyrdin] I can say that both Russia and Kazakhstan are changing their policies for the better. There is a great deal of difference between talking about framework agreements and signing actual agreements and accords. A great deal of difference; these issues are far from simple. I'll be frank to make this more clear: in our conditions, the chief prerequisite for entering bilateral or multilateral agreements is to have laws that are in line with one another so that our legislative approaches correspond. That's the main cause, not whether someone wants it or not. Presidents and prime minister come and go, but this is permanent.

Yeltsin Not at Scheduled Almaty Press Conference

MM1002163995 Moscow IZVESTIYA in Russian 11 Feb 95 p 1

[Report by Vladimir Ardayev and Seytkazy Matayev: "Final Press Conference in Almaty Takes Place Without B. Yeltsin"]

[FBIS Translated Text] Nursultan Nazarbayev, who chaired the joint sitting, described the overall result of the meeting of heads of CIS states and governments in Almaty as the further intensification of integration processes in the Commonwealth.

The council of heads of state received 13 draft documents prepared for signing, and signed them all.

In particular, the heads of state signed a concept on collective security and the basic areas of military cooperation between the heads of states that are party to the

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treaty. Within the block of economic questions, the principles of customs legislation for the CIS states and a list of joint measures to maintain a common scientific area were ratified. In the sphere of peacekeeping activity, the concept of the protection of the external borders by CIS states' border troops, and a treaty on cooperation in protecting the CIS external borders were discussed.

At the final press conference, which was given by N. Nazarbayev, V. Chernomyrdin, and I. Korotchenya, it was reported in particular that B. Yeltsin had communicated to the heads of the Commonwealth states his concern in connection with the situation in Chechnya. Having noted that they are inclined to view the Chechen events in the context of Russia's internal affairs, the heads of state for their part expressed concern at the consequences to which these events have led, that is, the scale of the bloodshed.

It had been declared beforehand that the presidents of Russia and Kazakhstan would participate in the final press conference. However, for unannounced reasons, B. Yeltsin was not present.

Kazakh President on Security Documents Adopted at Summit

LD1002203595 Moscow INTERFAX in English 2001 GMT 10 Feb 95

[FBIS Transcribed Text] ALMATY, Feb 10 (Interfax)—Kazakh President Nursultan Nazarbayev told journalists today that he had proposed to the CIS leaders that a pact on maintaining peace and stability in the CIS be concluded. However, seven of five CIS leaders had come out during the voting for signing a memorandum rather than a pact, he said. The CIS leaders explained such a decision by saying that the parliaments would face additional problems when adopting a document called a "pact."

In accordance with the memorandum on maintaining peace and stability in the CIS, the signatories "on their territory will prevent the creation and activities of organizations, groups and individuals aimed against independence, territorial integrity and inviolability of borders or making inter-ethnic relations more tense, as well as attempts to change the state systems of the signatories from abroad, in accordance with their national legislation."

Nazarbayev said that in accordance with another provision of the memorandum, the signatories would assume to take measures to prevent "any organized display of nationalism, chauvinism or fascism."

Nazarbayev said that the signing of the concept on collective security by the participants in the Treaty on Collective Security was of special importance. The concept stipulated that the main sources of military danger for the signatories were territorial claims of other countries to the participants in the collective security system and "attempted interference in the domestic affairs of the signatories from abroad" as well as attempts to destabilize the situation in the countries participating in the treaty.

The concept said that if there was an aggression the participants in the collective security system would rebuff it and take measure to make the aggressor put an end to military actions.

Nazarbayev said that in accordance with the concept, the first stage of establishing the collective security system provided for completing creation of the armed forces of the signatories and working out a program for military and military-technical cooperation. The second stage provides for creating united armed forces and coalition (united) groups of troops for rebuffing any possible aggression and planning the use of such troops.

Further on OSCE Minsk Group Meeting on Karabakh Conflict

LD1102180595 Moscow ITAR-TASS in English 1725 GMT 11 Feb 95

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[FBIS Transcribed Text] Moscow February 11 TASS—A meeting of Russian Foreign Minister Andrey Kozyrev and participants in the Moscow forum of the OSCE [Organization for Security and Cooperation in Europe] Minsk Group for Nagorno-Karabakh was held at the Foreign Ministry's residence today. The minister called for more efficient measures to settle the protracted Karabakh conflict.

In the words of Kozyrev, the formula of OSCE joint mediating efforts elaborated at the Budapest summit has helped to create outer prerequisites for progress in negotiations. International support has been ensured. Time has come to urge the conflicting sides to use the chances, said Kozyrev. He welcomed the determination of Armenian, Azeri and Karabakh leaders to observe cease-fire reached with the Russian mediation nine months ago.

Representative of the Minsk Group Swedish co-chairman Ambassador Per Anderman stressed the need to create a special mechanism for consolidation of the cease-fire regime. He said that this idea has been supported by Azeri, Armenian and Karabakh heads.

The Swedish diplomat noted that consultations on a final text of the political agreement on Karabakh settlement will be continued in the near future. The regular meeting will be held in Vienna. The OSCE is interested in its greater presence in the region and preparing for a peace-making action in accordance with resolutions of the Budapest summit, said Anderman.

The meeting was also attended by delegations of Armenia, Azerbaijan and the Karabakh Azeri community. Presence of the latter caused the refusal of the Karabakh Armenian delegation to attend the meeting,

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head of the Azeri delegation and foreign political adviser to the Azeri president Vefa Gulizade told ITAR-TASS.

In his words, the Moscow round brought no specific results because too much time was spent on discussing possible status of the Karabakh Armenian delegation as a conflicting side. Azerbaijan is bluntly against this and insists on keeping to the previous formula of negotiations. Under the formula both communities of Nagorno-Karabakh have the status of interested sides in settlement of the Armenian-Azeri conflict.

Accord on Prisoner Exchange Ratified at Karabakh Talks

LD1102140295 Moscow ITAR-TASS in English 1332 GMT 11 Feb 95

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[FBIS Transcribed Text] Moscow February 11 TASS—The parties to the talks on Nagorno-Karabakh, mediated by the OSCE [Organization for Security and Cooperation in Europe] group under the co-chairmanship of Russia and Sweden, have today ratified here an agreement to release all the hostages and prisoners held by both conflicting sides, ITAR-TASS was told today by Vladimir Kazimirov, head of the Russian mediation mission to the talks on the Nagorno-Karabakh issue.

"This refers first of all," he noted, "to the wounded and sick men, recognised as such by medics of the International Red Cross Committee, and also to persons aged above 50, who were captured in the course of the conflict. Moreover, the sides have promised to release all the women and all the children aged below 16. The concrete deadlines for the agreement's fulfilment have not been fixed so far, because efforts have still to be exerted to make the sides sign the document."

Kazimirov also expressed the hope that a standing commission would be eventually set up to continue the work on other categories of prisoners and hostages. It is to include representatives from all the sides involved in the conflict.

Today's special meeting of the Minsk OSCE group was fully devoted to the discussion and conclusion of the initialled agreement. It was attended by delegations from the conflicting sides and from the International Red Cross Committee.

ITAR-TASS Carries Press Review for 11 Feb

LD1102092495 Moscow ITAR-TASS in English 0727 GMT 11 Feb 95

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow February 11 TASS—Most Moscow based newspapers focus today on the summit of the Commonwealth of Independent States held in Almaty on Friday. There are different assessments of its results. The KRASNAYA ZVEZDA newspaper singles out a decision by the Council of the Heads of State on adopting a concept of collective security.

The ROSSIISKIE VESTI newspaper pays attention to a statement by Russian President Boris Yeltsin at the opening of the summit meeting on the need for "making a breakthrough in practical integration" this year.

At the same time, the KOMSOMOLSKAYA PRAVDA newspaper believes that summit participants could not "concentrate on the economy in a proper manner".

It is echoed by the PRAVDA newspaper which draws the conclusion that "the Almaty summit has not done any important step forward which can directly influence living standards of 300 million former Soviet people".

The IZVESTIYA newspaper calls attention to the absence of Yeltsin at the final press conference after the summit. The NEZAVISIMAYA GAZETA newspaper also singles out this fact, stressing at the same time that "most former Soviet republics do not support the Russian concept for protecting outside borders".

It also notes that summiteers replaced the mandatory nature of the pact on peace and accord in the CIS countries, suggested by Kazakh President Nursultan Nazarbayev, by "a meaningless memorandum".

All newspapers pay much attention to the Chechen conflict. The government ROSSIISKAYA GAZETA writes that life in Chechnya "is gradually returning to normal". No matter how much separatist leader Dzhokhar Dudayev harangues that Chechen people will fight up to the end, people with common sense regard this as a bluff.

KRASNAYA ZVEZDA points to a statement by Mikhail Kolesnikov, chief of the Russian Army General Staff, that organised resistance of gunmen "stopped in the main".

In turn, KOMSOMOLSKAYA PRAVDA, stating that "Dudayev's militants left Groznyy and massed their forces in mountains and villages overcrowded with refugees", puts the following question: "Will the Chechen crisis continue for years, turning into a guerrilla war?"

"Escalation of the conflict is inevitable. It is highly improbable that the heat of combat operations will subside," claims NEZAVISIMAYA GAZETA.

The daily notes that "the earliest solution of the Chechen conflict meets the interests of the Army and Russia as a whole" and that "the spring and summer of 1995 should eventually show what the Russian Armed Forces are worth of".

ROSSIISKIE VESTI carries an article, heavily panning the Defence Ministry's proposals to repeal a deferment from military conscription of university students. In the

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newspaper's opinion, this action will "deprive the Russian economy of skilled specialists".

It calls these proposals "talks about Stalinist 'changes' in principles of building the Armed Forces" and states that they "have become a reflection of military setbacks in Chechnya".

IZVESTIYA front-pages an article claiming that the bill on agricultural cooperation, which was adopted by the State Duma (Russian Parliament lower house) in the second reading, "inflicts a staggering blow on the agrarian reform", since it presupposes "restoration of the collective farm system under the signboard of agricultural artels".

The same daily runs a statement by Major-General Vladimir Gladyshev, commander of a Russian military base in Georgia, accusing Colonel-General Reut, command of the Russian Army Group in Transcaucasia, of corruption.

NEZAVISIMAYA GAZETA states that "a parallel system of state administration has almost formed up in Russia". It has grown out of new non-government groups and institutions "on the basis of a symbiosis of power-wielding and criminal structures".

In the newspaper's opinion, henchmen of this system "are likely to win majority at the parliamentary elections and will carry the presidential race".

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Chernomyrdin Departs for Slovakia, To Sign Agreements

LD1302073495 Moscow ITAR-TASS in English 0727 GMT 13 Feb 95

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow February 13 TASS—Russian Prime Minister Viktor Chernomyrdin left by air for Bratislava by air on Monday [13 February] for a two-day official visit. [sentence as received] Seven intergovernmental agreements are expected to be signed during the Russian premier's stay in Slovakia, including those on cooperation in culture, education, science, mutual employment of citizens, and visa-free trips.

During talks with his Slovak counterpart, Vladimir Meciar, Chernomyrdin intends to make a number of proposals aimed at widening trade-and-economic cooperation between Russia and Slovakia and restoring mutually beneficial bilateral contacts, according to sources close to the Russian Government delegation.

Arrives in Bratislava, Welcomed by Meciar

LD1302110495 Moscow ITAR-TASS in English 1025 GMT 13 Feb 95

[By ITAR-TASS special correspondents Gennadiy Yezhov and Valeriy Rzhevskiy]

[FBIS Transcribed Text] Bratislava February 13 TASS—Russian Prime Minister Viktor Chernomyrdin arrived here on Monday [13 February] for an official visit.

At the capital's airport decked out with the state flags of the two countries, Chernomyrdin and his wife were welcomed by Vladimir Meciar, prime minister of the Slovak Republic, and by other officials. A guard of honour was lined up and the national anthems of Russia and Slovakia were played.

From the airport the motorcade headed for Borik Hotel, the residence of the Russian premier. Over there, Vice-Premier Yuriy Yarov, who had coordinated preparations for Russian-Slovak talks beginning today, joined the delegation.

Foreign Ministry Official: Yeltsin Invites Major To Visit

LD1002185895 Moscow INTERFAX in English 1727 GMT 10 Feb 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, Feb 10 (Interfax)—President Boris Yeltsin has invited British Prime Minister John Major to visit Moscow on May 9 for ceremonies on the occasion of the 50th anniversary of the victory in the Great Patriotic War, deputy director of the second European department of the Russian Foreign Ministry Vladimir Chizhov reported at a briefing in Moscow Friday.

He also said that President Yeltsin was unlikely to go to similar festivities in London on May 6 and 7. "Prime Minister Viktor Chernomyrdin will most probably go to the British capital instead of Yeltsin", Chizhov said.

Chizhov reported that German Chancellor Helmut Kohl was also invited to Moscow. "We believe that the victory over fascism has brought liberation to the German people as well. That's why Helmut Kohl's participation in jubilee festivities in Moscow, as well as of Italians or Finns, is quite logical," he underlined.

On Russian Foreign Minister Andrey Kozyrev's working visit to Stockholm, scheduled for February 13-15, and his talks with Swedish leaders, as well as with his British counterpart Douglas Hurd, Chizhov said that Kozyrev would not shirk discussing the foreign aspects of the situation in Chechnya.

"There are reasons to believe that a dialogue on the topic would be constructive. Sweden and Britain have taken rather calm positions on the subject", Chizhov said.

Chizhov reported that along with Swedish Prime Minister Ingvar Karlsson, Foreign Minister Lena Hjelm-Wallen and head of British Foreign Office Douglas Hurd, Kozyrev plans to meet with former premier and now leader of Sweden's opposition Karl Bild. "This will be a purely unofficial 'one-to-one' meeting," he said.

According to Chizhov, in the course of their negotiations Kozyrev and Hurd are also expected to discuss mutual relations between the Russian Federation and NATO "in the context of the alliance's transformation and well-known ideas about its enlargement to the East."

Chizhov pointed out that NATO "fears that Russia can receive the right to veto in adopting decisions on the alliance's enlargement." "That's why NATO circles suspiciously perceive statements concerning Russia's joining the alliance's political organization. Theoretically speaking, in this case Russia, without pretending for a place in NATO military organization and not adopting military obligations, could receive the right for vote during adoption of political decisions, among them the issue on enlarging the alliance," Chizhov said.

In his words, the English believe that at this stage one should speak about further strategy in enlarging the alliance but not about the schedule and lists of potential new members of the alliance.

He reminded that during their meeting in May 1994 in Murmansk Kozyrev and Hurd developed the so-called "Murmansk formula" which provides for "deep cooperation without veto on the part of the Russian Federation and without surprises on the part of NATO."

As he said, "the communique adopted at NATO session in Brussels last December can be viewed as such a surprise."

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"The term 'enlargement' was changed for 'expansion' in this document. This is rather a symptomatic nuance," he underlined.

Speaking about settlement of the Yugoslavian crisis, Chizhov indicated that the Russian Federation and Great Britain "are closely working in the Contact Group."

In his words, in general London "agrees to the idea of convocation of an international conference on former Yugoslavia." "However, consent of participants of this conflict is needed to hold this conference. And they show different attitude concerning this idea," Chizhov underlined.

Chizhov reported that negotiations in Stockholm would touch the issue on the Baltic states.

He recognized that "Russia's relations with Estonia are still the most difficult."

As he said, "we have certain advances in our relations with Latvia." "However, as before situation in the sphere of human rights arouses our concern," he underlined.

Chizhov called agreements on military transit through Lithuania's territory to the Kaliningrad region and backwards "a subject of Russia's pride." "Now we have cleared the way to contacts at the level of heads of governments and now we are preparing the Lithuanian Prime Minister's visit to Moscow," he said.

Chizhov pointed to "a great interest and level of influence of the West on the Baltic states." "We appreciate this influence and efforts undertaken by the West with respect to the Baltic states and view them as a contribution in normalization of the situation," he underlined.

Chizhov established that "there are no unsolvable problems in the relations between the Russian Federation and Great Britain and Sweden on the bilateral level."

He said that economic sphere arouses certain concern. "The matter is, that the flow of capital investments in the Russian Federation leaves much to be desired and this is caused by the investment climate in Russia," he underlined.

Viktor Tatarintsev, head of Finland and Sweden section under the second European department of Russia's Foreign Ministry, reported that in the course of Kozyrev's negotiations with representatives of the Swedish leadership the parties would consider an issue "on possible bilateral contacts at the supreme level."

As he said, "the Swedes intend to become a catalyst in rendering economic assistance to the Russian Federation along the channels of the European Union."

He also reported that the Russian-Swedish agreement on mutual encouragement of capital investment has been prepared already. "We hope that in the near term this document will be signed and ratified," Tatarintsev underlined.

'Paradox' Seen in U.S. View of Chechnya

MM1302112195 Moscow TRUD in Russian 11 Feb 95 p 6

[Article by Vissarion Sisnev: "'The IMF Means First and Foremost The United States,' or the Impact of Chechnya in Washington"]

[FBIS Translated Text] Washington—The latest annual State Department report on human rights abroad has been published in Washington. China, Iraq, Iran, North Korea, Burma, and Cuba have been named as persistent violators, and there is sharp criticism of Turkey and even of Israel. There is also criticism of our country, where, in the opinion of the report's author, "the concept of the rule-of-law state has yet to be implemented and enshrined." Citing S.A. Kovalev, chairman of the presidential human rights commission, the report listed many instances of arbitrary behavior by law enforcement organs, noted a lack of attention to children's problems, pointed out bureaucratic obstacles created to independent trade unions, and much else besides. But it particularly highlighted "flagrant violations of the rights of thousands of civilians in Chechnya" and the "Russian Army's actions in this region, which conflict with many of Russia's international commitments." In short, considerable attention was paid to a topic which has not been off the newspaper front pages for two months now. But in parallel with all those things the report stresses the lack of an alternative to the "Yeltsin regime." In this connection the substance of a discussion between Deputy Secretary of State Strobe Talbott, who has been "building bridges" with the Republicans in Congress, and Mitch McConnell, chairman of the Senate Subcommittee on International Economic Policy, Trade, Oceans, and Environment, is interesting. The subject here was the proposed targeted assistance of $300 million to Russia. McConnell had a whole series of arguments against it, to which Talbott's objection, according to informed sources, was that "if Yeltsin falls, the possible successor could be Vladimir Zhirinovskiy." McConnell said in turn that "Yeltsin is increasingly coming to resemble Zhirinovskiy." Talbott rejected that assertion.

During the period of the Chechnya operation the Washington administration has taken important steps in support of Yeltsin while at the same time condemning him for "excessive use of force" in Chechnya. While in Moscow, Vice President Gore assured him that the number of NATO members would not be increased either this year or next. Secretary of State Christopher did the same at a meeting with Kozyrev in Geneva. The aim in both instances is interpreted here as being not to put any unnecessary trump cards in the hands of the Russian ultranationalists who oppose the Yeltsin administration. As for stopping the talks between Moscow and the IMF, the U.S. administration still supports the idea

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of granting Russia a loan of $6 billion. By all accounts, the IMF "intermediaries" will soon resume the discussion of this problem: Ultimately the IMF means first and foremost the United States.

In other words, as the WASHINGTON POST writes, there is a paradox here: "The bloodshed in Chechnya and the Russian Government's inept conduct of this war have not weakened the Clinton administration's support for Yeltsin. It does not want to deprive Yeltsin of political and moral support in the run-up to the parliamentary elections in Russia this year and the presidential election there next year. Yeltsin has been weakened politically but, it seems, no on has yet worked out a program for the further development of democracy and the free market in Russia that does not involve Yeltsin. The administration believes that the alternatives to him will be less tractable on a whole series of problems now facing Washington and Moscow."

Those problems are, first and foremost, the ratification of stage two of the treaty on scrapping the strategic nuclear arsenal, and Russia's consent to sign a new agreement on the nonproliferation of mass destruction weapons. Furthermore, it is hard to imagine the settlement of the Bosnian crisis or the solution of the question of expanding NATO's membership without Russian involvement, even though President Clinton has stated that "no one's permission is needed for that to happen."

Finally, Washington is hoping that Moscow will agree "amicably" to restrict its "ambitions" toward the "near abroad."

That is, so to speak, the optimistic forecast of the development of events which the executive is still operating on at the moment. However, there are many different moods among the political elite in Washington. The fact that the Republicans have taken over the legislature is a contributory factor here. Many important posts in both houses of Congress have been taken by people who were brought up on the Cold War. Consequently there is far less optimism in these spheres, where rather than talking about helping the development of democracy in Russia they would prefer to say that it is necessary to ensure America's protection against nuclear attack "just in case."

Why is that? Because, as Strom Thurmond, chairman of the Senate Foreign Relations Committee, asserts, the protection of the United States against ICBM's "has been deplorably ignored." And Floyd Spence, his counterpart in the House of Representatives, put it in even starker terms. "Even if nothing does happen, the possibility of the opposite outcome is too great not to have an ABM defense system." That, as a well-known satirist used to say, is the spirit; that's the way to cut it.

Moscow Protests Tallinn's Support of Chechnya

LD1002170595 Moscow ITAR-TASS World Service in Russian 1628 GMT 10 Feb 95

[By ITAR-TASS diplomatic correspondent]

[FBIS Translated Text] Moscow, 10 Feb—The ambassador of the Estonian Republic to Moscow was today invited to the Russian Foreign Affairs Ministry where a protest was communicated to him in connection with a declaration "on the implementation of the Chechen people's right to self-determination" being discussed at the Estonian Riigikogu.

This document, which contains among other things, a recommendation that the Estonian Government should "support with its actions" the will of the Chechen people to fulfill its right to self-determination, and that it should recognize the Chechen Republic, is being regarded in Moscow as an open interference in the internal affairs of the Russian Federation, a fresh proof of Estonian authorities aiding Dudayev's regime and of their attempts at undermining the foundations of the Russian state system. The ambassador was told that if Tallinn continued its anti-Russian actions, this will have most serious implications for relations between Russia and Estonia.

Kovalev: West's Protest on Chechnya 'Weak'

AU1002163895 Munich SUEDDEUTSCHE ZEITUNG in German 10 Feb 95 p 11

[Interview with Russian human rights representative Sergey Kovalev, by Udo Bergdoll; place and date not given: "The West Accepts Excuses"]

[FBIS Translated Text] [Bergdoll] Mr. Kovalev, your criticism of the war in Chechnya was dismissed as a "whimper" by the Kremlin. Defense Minister Grachev has branded you as a "traitor." Are you fighting a losing battle in Russia?

[Kovalev] No, I am not fighting a losing battle. There are not many like me in Moscow. What I have been accused of is simply not true. First of all, I am telling the truth, and second, I cannot be a traitor. I did not betray Grachev either. I have never had anything to do with him. How can I betray someone who has never been my friend?

[Bergdoll] Did Yeltsin have to regret his decision to appointed you, a friend of Sakharov's, as the human rights representative of the Russian Federation?

[Kovalev] This is no question I can answer. I believe that Mr. Yeltsin is in a very difficult situation as far as I am concerned. Russia is facing so many difficulties. Thus, it is very important for Russia to have a critical and dedicated representative. I believe that the Russian officials might be annoyed because I, naturally, do not fend off criticism of the situation in Russia, because I do not act as a screen. If criticism should spread to other areas, I will probably be chased from my position.

[Bergdoll] Are you still being received by Yeltsin?

[Kovalev] I do not know. He has not invited me recently. And I do not really feel like meeting Yeltsin.

[Bergdoll] Do you think he still has a political future?

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[Kovalev] I do not think so.

[Bergdoll] Would you still advise the German chancellor to continue his support for Yeltsin?

[Kovalev] This is a difficult question. I believe that a politician should not place too much emphasis on individual persons.

[Bergdoll] What else should he do?

[Kovalev] It is much more important and much better to deal with a system, a system that is independent of individual politicians. Let me give you an example: If Bush and not Clinton had won the elections in the United States—would this really have changed the U.S. course completely? The U.S. population would not really have noticed any basic differences. The U.S. system is a stable democracy.

[Bergdoll] How stable is the young democracy in Russia? To what extent will it be affected by the consequences of the war in Chechnya?

[Kovalev] Democracy in Russia is very weak. I have said and written a great deal about that. I even warned about it before the Chechnyan crisis. The crisis in Chechnya may have a negative impact on the whole situation, on Russian democracy. This is a real danger. It is a danger both for us and you.

[Bergdoll] What specific danger do you see?

[Kovalev] It will not be so easy to abolish the freedom of opinion that we gained after a hard struggle. Yet we can relapse into forms of authoritarian power that we know from the final days of the Soviet power—with conjurations and soothing words, with verbal support for democracy and the market economy, which nobody believes any more. We may also plunge into chaos, a country that is stuffed with nuclear weapons and that is full of nuclear power plants like Chernobyl. The West will be affected in any case. Russia has a tradition of seeking victory and not compromises.

[Bergdoll] In Chechnya, too?

[Kovalev] One cannot win against an armed population. Russia will not succeed in ending the war in the Caucasus for a long time to come.

[Bergdoll] Is the protest by the Western governments against the monstrosity of the warfare in Chechnya not too weak?

[Kovalev] Yes. I think it is too weak. The Western governments, including the German one, simply react too politely. When dealing with the Russian leadership, one must use clear and strong words. The Russians are used to that. Otherwise they interpret criticism as encouragement. The protest by the Western governments has hardly been noticed in Russia. It was too polite.

[Bergdoll] Can you give me an example?

[Kovalev] Yes, a recent one. The Organization for Security and Cooperation in Europe [OSCE] visited a Russian prisoner-of-war camp where people had been beaten up and urgently needed medical aid. Papers in Moscow wrote that the commission found that the prisoners are getting sufficient food—three meals a day. In reality, however, the commission reported on massive human rights violations. Yet that was not mentioned.

[Bergdoll] How would you have reacted as chairman of the OSCE commission?

[Kovalev] I would have protested and insisted on the publication of my report. Yet no Western observer inquired why the findings of the commission—that brutal maltreatments had occurred—were not published. The West accepts excuses and justifications. In a country where leading figures also resort to big lies, it is necessary to ask questions resolutely.

[Bergdoll] Are you saying that the OSCE report published in Russia is a forgery tolerated by the West?

[Kovalev] Somebody may have said that the prisoners receive three meals per day. But it was the commission's task to familiarize itself with the real situation in the camp.

[Bergdoll] Do you still consider the OSCE capable of achieving that Moscow also respects human rights in cases of conflict?

[Kovalev] Yes, it must try to exert influence. What else should it do?

[Bergdoll] What can Germany, what can the West do to support your cause?

[Kovalev] Western society must do a great deal. It is already doing a lot, and I believe that its help is increasing every day.

[Bergdoll] You are talking about society, but not about the governments.

[Kovalev] In my view, the Western governments are not doing enough. This may be a special feature of the Western democracies: First, society protests, and then the government reacts and takes note that society wants to achieve something. Only then does it react.

Kozyrev Calls For Final Settlement of Karabakh Conflict

LD1102143695 Moscow ITAR-TASS in English 1415 GMT 11 Feb 95

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[FBIS Transcribed Text] Moscow February 11 TASS—A meeting of Russian Foreign Minister Andrey Kozyrev and participants in the Moscow forum of the OSCE Minsk Group for Nagorno-Karabakh was held at the

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Foreign Ministry's residence today. The minister called for more efficient measures to settle the protracted Karabakh conflict.

In the words of Kozyrev, the formula of OSCE joint mediating efforts elaborated at the Budapest summit has helped to create outer prerequisites for progress in negotiations. The Russian-U.S. interaction has boosted the settlement mechanism and created its new format.

International support has been ensured. Time has come to urge the conflicting sides to use the chances, said Kozyrev. He welcomed the results of a recent regional trip of the Minsk Group co-chairmen. When meeting the mediators, Azeri and Armenian presidents and Karabakh leader Robert Kocharyan reaffirmed their determination to observe cease-fire reached with the Russian assistance nine months ago.

Speaking of the agreement on liberation of pow and hostages that was initialled today, Kozyrev noted the important role of the International Red Cross Committee in settlement of acute humanitarian problems of conflict zones.

Moscow Does Not Intend To Drop FRY Sanctions Unilaterally

LD1002150695 Moscow INTERFAX in English 1352 GMT 10 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 10 (Interfax)—Russia does not intend to drop sanctions against Yugoslavia unilaterally. "Anyway, Russia's Foreign Ministry does not mean it so," a senior Russian diplomat told Interfax Friday.

In his opinion, "an error cropped up" in a statement made by Oleg Davydov, a Russian Deputy Prime Minister, in Belgrade recently, saying that "Russia may leave the UN Committee on Sanctions against Yugoslavia unless the embargo on gas supplies is revised."

"Withdrawal from the sanctions committee would mean the loss of an opportunity to influence the shipment of humanitarian cargoes to Yugoslavia, the diplomat said, adding that "there would obviously be harm rather than gain from that." "Apparently, Davydov was misinformed by aides."

The source stressed that "the committee on sanctions deals exclusively with the technical side of the matter." "It is for the UN Security Council alone to impose sanctions on this or that country or lift them. Its resolutions are a kind of supreme law, having priority over national legislature," the diplomat explained.

He noted that "if Moscow decided to drop sanctions against Belgrade unilaterally, an appropriate national bill would have to be passed by parliament and signed by the president into law."

"That would be an unprecedented step that could ruin the entire UN system and modern international relations," the diplomat stressed.

Border Agreement Signed With Chinese Region

LD1102055195 Moscow ITAR-TASS World Service in Russian 0215 GMT 11 Feb 95

[FBIS Translated Text] Khabarovsk, 11 Feb—A meeting between border guard delegations of the neighboring regions of Russia and China ended in Khabarovsk on 10 February with the signing of an agreement on cooperation and unified approaches by the Russian and Chinese sides to observing the border regime.

The Russian delegation was headed by Lieutenant General Aleksandr Golbakh, chief border guard representative for the Far East sector of the frontier of Russia's Federal Border Service, and the Chinese delegation was headed by Shei Qian [name as transliterated], chief border guard representative of Heilongjiang Province frontier control and public safety directorate.

The agreement provides for active measures by the border guards of both countries to stop and prevent the illegal transportation of weapons, drugs, hard currency, and other contraband across the frontier. An agreement was reached on stepping up joint actions to stop the violation of the border regime on the Amur and Ussuri Rivers.

Navy Official: U.S. 'Hullabaloo' Over Submarines for China

LD1002191095 Moscow INTERFAX in English 1727 GMT 10 Feb 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, Feb 10 (Interfax)—A spokesman for the Russian Navy Staff has confirmed for Interfax the report of the influential military periodical JANE'S DEFENSE WEEKLY to the effect that Russia had signed an agreement for delivery to China of several diesel submarines of the Kilo class.

"The first such submarine has already been built but, contrary to reports of Western media, has not been handed over to China yet," a senior official in the Russian Naval Staff told Interfax on Friday.

He "categorically disagrees" with the view of JANE'S DEFENSE WEEKLY experts that the deliveries of diesel submarines to China "violate dramatically the balance of forces in the region."

"The Japanese have 16 submarines which are similar to those which Russia will hand over to China. The Americans have no such submarines, but they have 40 nuclear submarines equipped with ballistic missiles," said the spokesman.

He believes that "the hullabaloo around the Russian-Chinese deal is being raised by the Americans." "They feel hurt about the sale of our diesel submarines, which are known for their noiselessness and are capable to

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neutralize American submarines," he said. [sentence as received] "The flare up of emotions takes place each time when Moscow sells its submarines to Iran, India, and now to China."

Foreign Ministry Denies Arms Supplies to Peru

LD1102135695 Moscow ITAR-TASS World Service in Russian 1153 GMT 11 Feb 95

[FBIS Translated Text] Moscow, 11 Feb (ITAR-TASS)—The Russian Foreign Ministry today ruled out any Russian involvement in arms deliveries to the zone of the border conflict between Peru and Ecuador.

According to reports from a number of agencies, an IL-76 plane with Aeroflot markings, bound for Peru from Russia, was detained Wednesday at the airport of the Brazilian city of Fortaleza. The reason it was detained was that during an inspection federal police discovered military equipment and ammunition for combat helicopters. According to agency reports, the plane was freed a few hours later after the Brazil Foreign Ministry confirmed that Aeroflot warned the Brazilian authorities beforehand that turbines and other equipment for helicopters would be transported across their territory.

An Aeroflot spokesman in Moscow was unable Thursday to confirm or deny the report, pleading lack of information. He noted that many Russian airlines are now using Aeroflot markings and promised to find out "whether our plane was really involved in this event."

According to a Foreign Ministry report distributed today, "the Russian Foreign Ministry knows that on 8 February a Russian-built aircraft bound for Peru landed in Brazil. According to our information, the competent Russian authorities responsible for the weapons trade have nothing to do with the transportation of cargo by the plane in question.

"We wish to confirm that our position on weapons deliveries is based on well-known international principles and obligations instructing third countries to abstain from delivering weapons to areas of armed confrontation which could protract or complicate the existing conflict," the Foreign Ministry's press release notes.

Navy: Sale of Submarines to China Does Not Upset Balance

LD1002144195 Moscow INTERFAX in English 1352 GMT 10 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 10 (Interfax)—A spokesman for the Russian Navy Staff has confirmed for Interfax the report of the influential military periodical Jane's Defense Weekly to the effect that Russia had signed an agreement for delivery to China of several Diesel submarines of the Kilo class.

"The first such submarine has already been built but, contrary to reports of Western media, has not been handed over to China yet," a senior official in the Russian Naval Staff told Interfax on Friday [10 February].

He "categorically disagrees" with the view of Jane's Defense Weekly experts that the deliveries of Diesel submarines to China "violate dramatically the balance of forces in the region.

"The Japanese have 16 submarines which are similar to those which Russia will hand over to China. The Americans have no such submarines, but they have 40 nuclear submarines equipped with ballistic missiles," said the spokesman.

He believes that "the hullabaloo around the Russian-Chinese deal is being raised by the Americans." "They feel hurt about the sale of our Diesel submarines, which are known for their noiselessness and are capable to neutralize American submarines," he said. "The flare up of emotions takes place each time when Moscow sells its submarines to Iran, India, and now to China."

Moscow To Dump Ammunition After 15 Feb

OW1002125295 Tokyo KYODO in English 1213 GMT 10 Feb 95

[FBIS Transcribed Text] Vladivostok, Russia, Feb. 10 KYODO—The Russian Pacific Fleet's plans to dump decommissioned ammunition in the Sea of Japan will be carried out sometime after Feb. 15, a press officer for the fleet told KYODO news service on Friday [10 February].

The gunpowder will be removed from the ammunition before it is discarded, the press officer added.

Russia revealed its plans to allay concerns over pollution and to prevent any serious repercussions over the dumping.

The press officer said Russia is not the only country disposing of outdated ammunition in the sea, adding the 600 tons announced is actually only 10 tons.

According to ITAR-TASS NEWS AGENCY, a transport ship of the fleet which already has the ammunition on board is expected to be towed into the open sea where the dumping will commence one week later.

The Russian Pacific Fleet dumped radioactive waste in the Sea of Japan in October 1993, drawing angry protests from Japan and South Korea.

Moscow Considering U.S. Proposal on DPRK Nuclear Energy

LD1002201395 Moscow INTERFAX in English 1825 GMT 10 Feb 95

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, Feb 10 (Interfax)—Information in some Western media that Russia has

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rejected the U.S. proposal on participating in the Organization for Development of Energy of Korea, the international consortium for financing and delivering to North Korea light-water reactors, is not true.

"Moscow is continuing to think the proposal over," a high-ranking diplomat told Interfax today.

The diplomat said that Russia had not yet either rejected or accepted the U.S. proposal.

The diplomat agreed that Russia had many questions to ask as far as the U.S. proposal was concerned. He said the proposal was too vague. "The U.S. does not assume any commitments proposing that Russia take part in some construction work but without explaining what this means," he added.

The diplomat said that if the U.S. proposal provided for possible delivery of Russian reactors to North Korea Moscow would certainly accept it. He said he regretted that Russia was offered a second- rate role whose financial aspect was unsatisfactory.

The diplomat said that Russian Deputy Foreign Minister Aleksandr Panov had received the Chinese ambassador to Russia in Moscow and they had discussed the issue today. The diplomat said that North Korea agreed with Russia and was in favor of receiving Russian reactors. The diplomat said North Korea proceeded from the fact that all North Korean experts in nuclear energy had received their education in Russia, knew Russian technology and the Russian language.

The diplomat said Moscow would make a final decision on the U.S. proposal in the near future. He said the Organization for Development of Energy of Korea would hold a constitutive meeting in early March. He said Moscow would have to define its position by that time. The diplomat said the chances of the U.S. proposal were 50/50.

U.S., Russia Discuss Moscow's Participation in KEDO

SK1102040495 Moscow Voice of Russia World Service in Korean 1200 GMT 10 Feb 95

[From "Today's World" program]

[FBIS Translated Text] U.S. special Ambassador Robert Gallucci, during his recent stay in Moscow, held talks with representatives of the Russian Foreign and Atomic Energy Ministries on Russia's participation in the project to supply light-water reactors to the DPRK.

With regard to this, (Valentin Moistov), director in charge of Korean affairs in the Foreign Ministry of the Russian Federation, said as follows:

[Begin (Moistov) recording in Russian fading into Korean translation read by announcer] Recently, the talks were held between the United States and Russia in Moscow on supplying Pyongyang with light-water reactors. No agreement was reached between the two sides on this issue. However, the U.S. side reportedly suggested that Russia participate in the Korea Energy Development Organization [KEDO] which is expected to be founded in New York in late February.

Speaking on this, a Russian diplomatic source insisted that Russia's rich experience in cooperating with the DPRK, especially in the field of nuclear energy, should be fully considered. He added that the issue on Russia's participation in KEDO must be decided upon after fully taking account of Russia's economic and political interests.

During the talks, Russia revealed that it is willing to provide the DPRK with the Russian-model reactors. Pyongyang also expressed a great interest in the Russian-model. Pyongyang held that the Russian light-water reactors are inexpensive and that it is completely familiar with the Russian equipment because DPRK experts were trained in Russia.

However, according to Ambassador Robert Gallucci's assertion, Washington has quite a different view. He said since the ROK will play a pivotal role in the project of providing the light-water reactors to Pyongyang, which is expected to cost around $4 billion, the chief supplier of light-water reactors will be Seoul. He added that supplying the ROK-model reactors will be the most reasonable solution. [end recording]

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Political Issues

Yeltsin, Chernomyrdin Return to Moscow

LD1002210695 Moscow INTERFAX in English 2027 GMT 10 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 10 (Interfax)—Russian President Boris Yeltsin and Premier Viktor Chernomyrdin returned this evening to Moscow from Almaty where they had taken part in the CIS summit.

Yeltsin Described as 'Sick or Drunken Man' at Almaty Summit

AU1002193395 Paris AFP in English 1914 GMT 10 Feb 95

[By Boris Bachorz]

[FBIS Transcribed Text] Moscow, Feb 10 (AFP)—President Boris Yeltsin's unsteady performance at the CIS summit in Almaty have raised fresh questions about his drinking habits and ability to lead Russia after a string of embarrassing incidents during the past few months.

On the few occasions reporters were allowed near him during the summit in the Kazakh capital, which closed Friday, Yeltsin's slurred speech and difficulty in moving around gave the impression of either a sick or a drunken man.

Moments before Friday's final news conference, the Russian president announced he would not attend. When he answered a few impromptu questions before disappearing, his voice trembled.

A few hours earlier, an aide had to support Yeltsin as he climbed the stairs to the meeting hall.

Late Thursday, after he arrived by plane following a flight during which a birthday party was held for his chief-of-staff, Yeltsin almost fell down the stairs of his aircraft.

Kazakh President Nursultan Nazarbayev, who had come to welcome him, had to help the Russian leader to his car.

Yeltsin's aides then informed journalists that he would not be answering questions as he usually does at such events.

It was the third time in six months that the president's behavior on trips abroad had shocked observers.

In August, he repeatedly upset protocol during a visit to Berlin to mark the departure of Russian troops from Germany, making unscheduled speeches and once grabbing a conductor's baton to conduct the orchestra himself.

Several of his advisors reacted by sending Yeltsin a letter warning him about the damage such conduct was doing to his image.

A month later, on return from the United States, Yeltsin remained on his plane during a stopover in Shannon, Ireland, leaving then Irish prime minister Albert Reynolds waiting on the tarmac.

Contradictory explanations were offered—Yeltsin saying his staff had not dared wake him, while his press service said he was feeling slightly unwell.

The diplomatic incident sent the Moscow news media into a frenzy, with commentators maintaining Yeltsin had shown himself unable to carry out official duties.

Several opposition members of parliament have tried to get him impeached on the grounds that he is incapable of governing.

Yeltsin's penchant for alcohol has fuelled rumours surrounding his health.

Officially, his only physical problem is back pain caused by an emergency landing his plane made in Spain in 1990.

But his unsteady performance in Almaty made a particularly bad impression at a time when Russian troops are embroiled in a conflict in the breakaway republic of Chechnya, and Russian pro-democrats say Yeltsin had fallen under the influence of hardliners feeding him selective information on the brutal two-month war.

Questions about his physical condition resurfaced at the end of December when he was hospitalized for two weeks—officially for a minor operation on his nose—when the intervention in Chechnya began.

The controversy has spiced the run-up to a speech Yeltsin is due to make to parliament next Thursday. It will be his first major address this year and is expected to use it to show he still has a firm grip on the Russian ship of state.

Yeltsin To Sign Edict on Ingush-Ossetian Settlement

LD1002200095 Moscow INTERFAX in English 1717 GMT 10 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 10 (Interfax)—Russian President Boris Yeltsin will sign a decree on settlement of the Ossetian-Ingush conflict in the next few days, Kremlin Chief of Staff Sergey Filatov told Interfax today.

Filatov said that an agreement satisfying participants in the talks had been reached in the Kremlin today. The talks involved Filatov himself, Ingush President Ruslan Aushev, North Ossetian President Akhsarbek Galazov, Head of the Interim Administration in the Conflict Zone Vladimir Lozovoy, the Russian president's Advisor on Legal Issues Mikhail Krasnov, Head of the State Legal Department in the President's Administration Ruslan Orekhov and the Russian president's representative in parliament Aleksandr Yakovlev.

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The presidential decree on the Ossetian-Ingush conflict will not have to be approved by the Federation Council.

One in a series of presidential decree on extending the state of emergency in the conflict zone was turned down by the Federation Council on February 7 and became invalid.

More on Lifting Emergency Decree

LD1302145295 Moscow ITAR-TASS in English 1431 GMT 13 Feb 95

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Transcribed Text] Moscow February 13 TASS—Russian President Boris Yeltsin will sign a decree within the next few days lifting the state of emergency on the zone of the Ossetian-Ingush conflict, the presidential administration chief of staff Sergey Filatov said on Monday.

Filatov told ITAR-TASS that the presidents of the two republics—Akhsarbek Galazov of North Ossetia and Ruslan Aushev of Ingushetia—have already approved the draft decree. Russia's power ministries have also given their consent.

The decree will lift the state of emergency in the zone of the conflict and reorganise the temporary administration into an interim state committee to cope with the consequences of the conflict.

Filatov pointed out that the committee will coordinate the efforts to accommodate refugees and displaced persons who have left their homes to flee the war. Interior Ministry troops will remain on the territory where the state of emergency was in place.

The committee will work in close contact with the government and the executive bodies of power in North Ossetia and Ingushetia.

The state of emergency was imposed in some areas of North Ossetia and Ingushetia, following an inter-ethnic conflict that erupted there over disputed territories in April 1991. The state of emergency was for the first time introduced in November 1992 and has been extended several times since then.

"According to the agreement, Moscow will lift the state of emergency in the zone of Ossetian-Ingush conflict, but will keep the situation under control", Mikhail Krasnov, the Russian president's aide on legal issues, said in an interview with television late on Friday.

The state of emergency expired last time on January 31, 1995. President Boris Yeltsin decreed to extend it for yet another two months. However, the upper chamber of the Russian parliament refused to approve the decree.

The state of emergency was always backed by North Ossetia, while Ingushetia opposed it saying presidential decrees on the return of Ingushi refugees to their homes in North Ossetia were never implemented.

The conflict broke out after Ingushetia demanded that the Prigorodnyy district of North Ossetia, which belonged to it before soviet dictator Joseph Stalin ordered deportation of Ingushis and Chechens to Kazakhstan and Siberia, be returned to Nazran. Many Ingushis had to flee their homes in North Ossetia in the ensuing bloodshed.

At present Russia is dealing with yet another conflict in the region where it has sent troops to quell a three-year independence bid of Chechnya which neighbours on Ingushetia. In the soviet past, both republics formed a single entity, but Chechen separatist leader Dzhokhar Dudayev has separated his republic from Ingushetia and announced its independence from Russia.

Yeltsin To Set Up Commission To Investigate Chechen Crisis

LD1002135095 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 10 Feb 95

[FBIS Translated Text] A presidential edict on setting up an interdepartmental commission for investigating the events in Chechnya will be published within the next few days, Ramazan Abdulatipov, deputy chairman of the Federation Council, announced today. The upper chamber of parliament today listened to a report on the implementation of the decision on the situation in Chechnya. Our correspondent has the details.

[Alena Stepanenko] The operation in Chechnya is being carried out in accordance with the version planned by the executive authority and nobody is rejecting this version despite all the decisions taken by the Federation Council, Abdulatipov said. According to him, at present the issue of the Federation Council's deputies taking part in the work of the interdepartmental commission under the president and in the State Duma's commission is being considered. The situation in the region, Abdulatipov stressed, remains complex, and there is the danger of dragging other North Caucasian republics into the conflict. There is a rise of separatist feelings, the deputy chairman believes. Also, Abdulatipov said that there is no state policy aimed at solving the Chechen conflict.

Chernomyrdin on Chechnya Renewal, Pursuit of Reforms

AU1002143595 Bratislava PRAVDA in Slovak 9 Feb 95 p 8

[Article by Russian Prime Minister Viktor Chernomyrdin: "The Chechnya Conflict Will Not Slow Down the Policy of Reforms"—"written exclusively for PRAVDA, mediated by the RIA NOVOSTI news agency"]

[FBIS Translated Text] I am convinced that the future of Russia depends on the solution to the crisis in Chechnya. These words are not too strong. No state can tolerate when, on a part of its territory, the Constitution is

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trampled underfoot, its laws are ignored, citizens' rights and interests are not guaranteed, and arbitrariness and brute force rule.

I would like to reaffirm that we are not fighting against the Chechen people. Our duty is to help all citizens of Chechnya to finally gain the chance to free political self-determination, without pressure from Dudayev's troops and criminal elements.

The federal authorities were compelled to use force precisely in order to restore constitutional legality and legal order on a part of Russian Federation's territory.

I believe that the time has not come yet to assess either this decision or its enforcement. We will still be able to properly orient ourselves in what happened, to find answers to all questions, and, which is the most important issue of all, to do everything we can to prevent a repetition of the events so that the horrors of the last three years and the tragedy of the last few weeks become, once and for all, matters of the past.

What Is To Be Done Next?

Today, as military methods start being gradually replaced by political methods (and when the government is doing everything within its power to accelerate this process), the question arises: What is to be done next?

We believe that broad-based consultations on the establishment of an active and responsible power in the Chechen Republic for a transitional period, until democratic elections are held, should be in the foreground.

In the final analysis, only the people of the Chechen Republic can decide on this issue. Through the medium of elections, an entity [subjekt] of political dialogue will be established that will express the opinion and will of all Chechen people. On this legal foundation, it will then be possible to discuss the status of the republic within the framework of the Russian Federation, the division of powers between federal and republican bodies, and many other issues.

And this will indeed happen. Time is needed for wounds to be healed, pain to be eased, and, unfortunately, also for the wisdom and common sense of a proud nation to prevail over hatred and a feeling of having been wronged.

It is necessary to start organizing normal life, establish basic, essential conditions for people, take up the reconstruction of the national economy, and help refugees return to their homes.

All these are tasks that brook no delay. They can be dealt with only by respecting the opinions, will, traditions, and values of the Chechen people and all inhabitants of Chechnya.

It is obvious that it is necessary to set up a government of the Chechen Republic for this transitional period and to renew activity of local self-administration bodies. Their composition will be determined by the people of Chechnya, by their authorized representatives.

Many Chechen representatives recommend that assistance be sought from the Chechen Republic Supreme Soviet, which Dudayev had dissolved and whose legal powers have not yet expired.

There exist also other alternatives.

First Steps Toward Renewal

Let us now briefly move to what has already been done, and continues to be done, for organizing normal life on the territory of the republic and for renewing the national economy, ruined not only during the last few weeks but by the previous three years of economic anarchy and outright thievery.

The railroad and communications on the Ishcherskaya-Chervlenaya-Uzlovaya section have been renewed and mines have been removed along the Chervlenaya-Gudarmes section. Passenger railroad traffic between Mozdok and Naurskaya has been resumed. The railroad is, in the full sense of the word, the "lifeline" not only for Chechnya but for the entire Caucasus.

The operation of two airfields in the republic has also been resumed.

In many districts of Chechnya, the elderly have finally started receiving their pensions again and 32 health establishments have started working and importing medication, medical supplies, and medical appliances.

Funds are being allocated to renew the activity of schools and institutions.

The key branches of the Chechen industry—the extraction and refining of oil—will also be renewed. A list of 420 facilities has been drawn up that will be reconstructed on a priority basis. Work is underway on renewing the Vladikavkaz-Chir-Yurt power line. The key tasks also comprise the reconstruction of Groznyy and its destroyed houses and communication links.

More than 2,300 metric tons of humanitarian aid have been delivered to Chechnya, of which more than 2,200 tons was food. More than 350 prefabricated houses have also been delivered. Refugees and those forcible resettled are receiving assistance.

Naturally, all these efforts are being complicated by combat operations. Convoys of trucks with food, medication, and other essentials stand still. Assistance cannot get to the people who urgently need it. The armed conflict must therefore end as soon as possible, which is why we seek a political settlement of the situation.

The Strategy Remains the Same

People all over Russia and abroad are asking how the conflict in Chechnya will manifest itself in the national

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economy and whether Russia would not abandon the policy of reforms and the economic policy it has recently been pursuing.

I proclaim unequivocally that there will not be any movement backward. Even in 1995, we will strive to implement what we resolved in our program. We will not accept a revision of either fiscal policy or privatization, although we are being advised already to correct our approaches, to become "realists," and the like.

In reality, however, a realistic policy dwells in implementing step by step the targets that the government set itself in the struggle against inflation, in the endeavor to stimulate savings and investment, in the formation of a market for securities, and in support of production and enterprise.

Naturally, this will not be easy. Overcoming the Chechen crisis alone will require at least 5 trillion rubles, provided that we succeed in embarking in the nearest future upon creative reconstruction in this region.

I would like to reiterate that the reform strategy will not change in 1995. Quite the contrary, we will bring forward the deadlines for solving many problems of principle.

The year 1995 must, and will, become the year of stabilizing the economy of the Russian Federation.

Gromov on Current Stage of Chechen Conflict

LD1002233395 Moscow Ostankino Television First Channel Network in Russian 2010 GMT 10 Feb 95

[Interview with Russian Deputy Defense Minister Boris Gromov by program presenter Aleksandr Politkovskiy—recorded; place and date not given; from the "Politburo" monthly current affairs program]

[FBIS Translated Text] [Politkovskiy] What do you think of the Security Council's recent announcement that the first stage of the war in Chechnya is effectively over?

[Gromov] I never talk about stages because if stages are defined in terms of raising a flag over a palace ...

[Politkovskiy, interrupting] Like under Stalin?

[Gromov] Yes, like under Stalin. If that is so, then perhaps it is a stage. But in my opinion it is too difficult to divide things into stages in so far as I do not see any scale of this sort. If these stages refer to the destruction of part of the bandit formations along with the destruction of a whole city and the placing of Dudayev and his entourage on the same level as the whole people and the delivering of a natural blow to the army's prestige and to the country's economy, then perhaps it can be said that a stage has been completed.

Prosecutor Confirms Criminal Case Filed Against Dudayev

LD1002195695 Moscow INTERFAX in English 1717 GMT 10 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 10 (Interfax)—The Russian Prosecutor General's Office Information and Public Relations Center said Friday that a resolution to detain Dzhokhar Dudayev had been signed by Russia's acting Prosecutor General Aleksey Ilyushenko on February 1. The Federal Counterintelligence Service, Interior and Defense Ministries were each sent a copy of the resolution on the same day.

Abdulatipov on 'Mass Persecution' of Ethnic Caucasians

LD1202220295 Moscow Ostankino Television First Channel Network in Russian 2052 GMT 12 Feb 95

[Passages within quotation marks recorded; from the "Ostankino" newscast]

[FBIS Translated Text] [Unidentified correspondent] All claims by the military to the effect that Groznyy is fully under control turn out to be exaggerated every time. This has been acknowledged even by the federal authorities. It cannot be said that Groznyy has been completely cleared of snipers. Fighters appear at night and start shooting, Vyacheslav Kuznetsov, head of the Interior Ministry's temporary federal body in Chechnya said today.

This information is confirmed by the Chechens themselves. Retaining control over Groznyy is the most important task for Dzhokhar Dudayev. The fighters' withdrawal from Groznyy was a preplanned action. According to the plan, only a mobile group of snipers should remain there, Movladi Udugov, one of Dudayev's men, told the Ekho Moskvy radio station the other day. Dudayev is said to have a stage-by-stage plan of military operations and he has no intention of abandoning it. Since the federal command also has its own plan, one should not expect hostilities to end soon.

Moreover, new participants—Ingushetia and Dagestan—are being drawn into the conflict. Let me remind you that the Ingush were the first to put up resistance to the Russian troops and managed to hold then back from approaching Chechnya for quite a long time. Later several Ingush villages and Khasav-Yurt in Dagestan were bombed. This attitude embitters the local people and provokes protest actions. This is the view of Ingushetia's Vice President Boris Agapov, and Ramazan Abdulatipov, deputy speaker of the upper chamber of the Russian Parliament. According to Agapov, authorities in these republics are doing everything they can to settle the conflict, but they are finding it increasingly difficult to contain popular discontent. The situation is further aggravated by a mass migration of ethnic Caucasians from Moscow.

[Abdulatipov, deputy chairman of the Federation Council, identified by caption] "It is a new wave of mass persecution of people on ethnic grounds."

[Correspondent] According to Abdulatipov, law enforcement bodies are literally terrorizing innocent people. Using what IZVESTIYA calls an unconstitutional decree authorizing check-ups of all ethnic Caucasians, they are robbing and insulting the Caucasians.

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[Abdulatipov] "Many leading businessmen I know personally—the people who work honestly—have in effect fled Moscow. I believe that if such actions continue, the people's animosity is going to increase, and there are going to be conflicts on a wider scale."

Rutskoy Says Russia Needs New President

LD1002205595 Moscow INTERFAX in English 1804 GMT 10 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 10 (Interfax)—Russia's former vice president Aleksandr Rutskoy, leader of the social-patriotic movement Derzhava, demanded "to give Yeltsin the push." At a press conference in Moscow Friday he declared that "this is the only way to draw the country out of the present situation."

"The losses during the move to the market system are incomparable with losses during World War II," Rutskoy said.

He believes that "any other president and any other power would be able to find a common language with Chechnya's leadership and people in order to bring the situation in line with the law."

Rutskoy believes that "if the upcoming presidential elections are held under international-community control then the present head of state Boris Yeltsin will collect 2-3% of votes, no more."

He also reported that "if parliamentary elections take place then the Derzhava movement will participate in them." According to Rutskoy, as of today Derzhava has 26 regional organizations and 972,000 people have presented their applications to join the movement. "Late March - early April we shall hold a congress in order to register our organization as an All-Russian one," Rutskoy declared.

Rutskoy believes that Russia should be a unitary state with only one president. "All this joking about sovereignties just serves to further the idea of Russia's break-up into 55 crown lands," he said.

At the request of journalists Rutskoy characterized several prominent officials of the Russian Federation.

Rutskoy believes that General Aleksandr Lebed failed to use his potential opportunities which he had in October 1993 to render assistance to the parliament. "That's why I have an appropriate attitude to him," Rutskoy said.

Speaking about human-rights champion Sergey Kovalev, Rutskoy said: "He acts as if he got into Hitler's bunker and spoke about violations of human rights in the Soviet Army."

Rutskoy said that he perceives Aleksandr Korzhakov "only as head of the presidential bodyguard." "It is foolish to view him as a politician," he underlined.

Rutskoy declared that "as before he views himself as acting president of the Russian Federation." "The decision of the Constitutional Court has not been annulled. The whole world knows that results of the voting on the Constitution were falsified and that's why it is invalid. Thus, I am Russia's acting president de jure and I am a free politician de facto," he underlined.

It was announced at the press conference that in two days Rutskoy would go on a trip to Siberia in the course of which he plans to visit the Novosibirsk and Irkutsk regions.

Lebed Denies Demanding Yeltsin's Resignation

LD1002155895 Moscow INTERFAX in English 1352 GMT 10 Feb 95

[FBIS Transcribed Text] TIRASPOL, Feb 10 (Interfax)—Lieutenant-General Aleksandr Lebed, commander of Russia's 14th Army, has refuted allegations by the newspaper Ekho Kishinyova "that he demanded President Boris Yeltsin's resignation."

The mouthpiece of the city's branch of Moldova's ruling Agrarian-Democratic Party, Ekho Kishinyova quoted Lebed as saying in an interview carried in the paper Thursday that: "Authority, sending hundreds of its citizens to certain death, is criminal. Russia's president must tend resignation. It is not important whether it was he who took the decision or whether he has become a victim of court intrigues."

In an exclusive interview with an Interfax reporter, Lebed declared that he had not said anything like that.

"This is outright ad-libbing. There is nothing but lies in the material from beginning to end. That editor has come to me, but I have nothing in common with him and do not want to have anything in common with him. He is an indecent boy who has cooked up something dubious", Lebed declared.

Asked how Lebed's facsimile signature with his best wishes got into the paper, Lebed explained that he had really written a wish to newspaper readers. But that least of all means that he really said all that in the published interview.

"The editor does not have a taped recording, nor does he have material verified by me. He wrote all that on his own, and it is not clear whose order he fulfilled," Lebed said in conclusion.

Communist Faction Demands Floor To Address Yeltsin

LD1002204895 Moscow INTERFAX in English 1804 GMT 10 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 10 (Interfax)—The Communist faction in the State Duma has

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demanded the floor be given to the leaders of parliamentary faction and Federation Council deputies after Russian President Boris Yeltsin makes his address to the parliament on February 16. This statement was made by the faction's leader, Gennadiy Zyuganov, at a news conference in Moscow Friday.

According to Zyuganov, the Communist Party of Russia was ready to lay down "a whole complex program to drive the country out of the crisis." If deputies are denied the right to speak, the meeting with the president will turn into a void formality, he added.

Last year's results show "a collapse of the course and that of the policy," Zyuganov said. According to his information, Russia's output of steel fell to 54%, stainless steel to 14%, oil to 61%, drilling pipes to 5% against 1990. The output of technology-intensive products was brought virtually to the minimum. For instance, that of processing centers reduced to 4% against 1990, he added.

Zyuganov believes that Yeltsin should report the performance of his previous pledges in the first part of his address.

"Early elections in the country could be a way out of the situation," he said. The president could "calmly and with dignity" announce his early resignation, and "new people with new ideas" would salvage the country, he noted.

Zyuganov hoped that "those who can manage would be elected," but he did not rule out that "demagogues had a chance, too."

Duma Deputy Boris Fedorov To Set Up New Party

LD1202222995 Moscow Ostankino Television First Channel Network in Russian 2052 GMT 12 Feb 95

[Passages within quotation marks recorded; from the "Novosti" newscast]

[FBIS Translated Text] [Unidentified correspondent] Following in the footsteps of a professor of medicine bearing the same surname [Svyatoslav Fedorov, ophthalmologist and founder of the Party of People's Self-Government], Boris Fedorov, a Duma deputy and former finance minister, is also setting up his own party. Fedorov believes that the National Revival Movement [Dvizheniye Natsionalnogo Vozrozhdeniya]—this is the proposed name of the new party—should accumulate the best features of all the existing movements, ranging from Russia's Choice to the Liberal Democratic Party of Russia.

[State Duma deputy Boris Fedorov, identified by caption] "On many economic points we are much more radical than those who are seen as radicals, such as Russia's Choice, because we believe that market reforms should be implemented with speed and skill. We are paying much attention to the social aspect, which is to a large extent being exploited by the communists. This again is common sense."

[Correspondent] The electorate may soon feel that they have had enough of all those clashes between extreme points of view and start backing the centrists, as Fedorov wishes. The new party's program has, for the sake of intelligibility, been written in a colloquial style. Here are some of its proposals: To bring down taxes, to turn the ruble into a convertible currency within a short timespan, to provide accommodation for the military within three years, and to make drastic cuts in the state apparat. Why does the leader of the Liberal Democratic Union of 12 December [Fedorov] think his program will be trusted?

[Fedorov] "Today we have a unique situation in Russia: Differences between classes have in effect been obliterated. There is no middle class. There are very few rich people, and all the rest are poor. In these times I believe the entire country is our electorate, because we are all in the same boat."

[Correspondent] Let me remind you that the founding congress of the National Revival Movement is to be held next Saturday [18 February].

New Presidential Aide Krasnov Supports Parliament, Courts

LD1002224095 Moscow Mayak Radio Network in Russian 1541 GMT 10 Feb 95

[From the "Panorama" program]

[FBIS Translated Text] [Announcer] Mikhail Krasnov, the president's new aide on legal matters, held his first news conference today. Here in the studio is Olga Vasilenko with an account of the news conference.

[Vasilenko] Krasnov's manner of communicating and expounding ideas in no way fits in with the image system of presidential apparatus officials that our press has created. Mikhail Krasnov is 45 years old. He is a Muscovite and a doctor of law. The range of his academic interests includes the organization and functioning of authority and the legal position of the individual. He likes pure scholarship but since 1 September 1993 he has been working in the Kremlin.

As he says of himself, it is not a typical situation when a person rises from the duties of a consultant, which was his job under Yuriy Baturin, so high up the political ladder. I am the first to do so. In this respect, Mikhail Aleksandrovich is not inclined to regard his appointment as the strengthening of one camp in the presidential administration and the weakening of another. He characterizes himself in another way and says: I am not an independent state figure; I have no powers; I am precisely an aide. The range of his duties as presidential aide for legal matters includes giving almost the final approval to the drafts of laws, decrees, orders, and

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instructions, including expressing his opinion in those instances that the president vetoes some law. Here, incidentally, is Krasnov's attitude to this veto.

[Begin Krasnov recording] Quite honestly, I do not very much like the fact that recently the right of the presidential veto has been used quite often. In this respect, one probably needs to work on the system and rectify certain things in the State Duma and in the presidential administration, because in general this should not be so. Vetoes are normal practice as a rule, but in politics they are an unusual institution. Moreover, in this respect I am concerned about something else: the devaluation of the veto, in the sense that quite frequently this veto is overcome by the two-thirds rule. Officially, constitutional law exists to overcome it, but this is not very healthy politically because the whole general political situation is impaired, and imperceptibly—not like what occurred two years ago, one hopes, but imperceptibly—we could move again little by little toward an undesirable situation of conflict with parliament.

Incidentally, although I work in the presidential administration, I nevertheless have a particular weakness for parliament and parliamentarianism. I have enormous respect for this institution, and in this connection I should like to note that I am irritated by the search, especially by television, to view the deputies from very unfortunate angles. I am aware that it is the job of the journalism profession to discover some unusual moment and to show it, but quite honestly we are thereby imperceptibly impairing the institution itself; and, in general, people become unwilling and few of them go along to the polling stations. This is not the main cause but this ironic attitude toward the corps of deputies and toward parliamentarism in general does contribute. [end recording]

[Vasilenko] Although Mikhail Krasnov is a supporter of strict authority, he is inclined to support the classical democratic state system where the authority of the courts is in his view the most important element, and here is why:

[Begin Krasnov recording] For me personally the authority of the courts is actually the basic form of state authority because, although it is not perfect, it is only because of the authority of the courts that it is possible actually to limit the power-seeking aspirations of all of the other institutions of authority. [end recording]

[Vasilenko] I do not know whether you could sense how different this person is from those people surrounding the president until now.

[Announcer] As you know, we are accustomed to judge people not by their words but by their deeds.

[Vasilenko] At this initial stage, however, it does seem to me that there is a difference, and it reflects in the best possible way on the president's new aide and therefore on the president himself for appointing such a person as his aide.

Over 500,000 Miners Held Strike on 8 Feb

LD1002180095 Moscow ITAR-TASS in English 1652 GMT 10 Feb 95

[By ITAR-TASS correspondent Liliya Kuznetsova]

[FBIS Transcribed Text] Moscow February 10 TASS—Over 500,000 Russian miners, or 80 per cent of all people employed in the industry, went on warning strike on February 8, Chairman of the Independent Trade Union of Miners Vasiliy Budko told a news conference on Friday. Strikers urged the Russian Government to repay debts for 1994 and January 1995.

According to Budko, 189 mines and 21 coal pits stood idle all over Russia for a day and resumed work on February 9 in an organized manner, as was initially planned.

However, miners' demands have not been met so far, as the government has taken a non-compromise stance. "They do not seem to intend to repay the debt", Budko said.

If there are no new understandings reached by the end of month and miners do not get their earnings, another strike will be staged on March 1 to last until miners' demands are met in full. Miners will also picket the house of the Russian Government and urge early presidential elections and the cabinet resignation.

Military & Nuclear Issues

Yeltsin Assigns Gromov To Foreign Ministry Post

LD1302102295 Moscow ITAR-TASS in English 1010 GMT 13 Feb 95

[FBIS Transcribed Text] Moscow February 13 ITAR-TASS—Russian President Boris Yeltsin today signed a decree assigning Deputy Defence Minister Colonel-General Boris Gromov to a new job with the Foreign Ministry, "as a chief military expert at large".

According to some sources, in the Foreign Ministry Boris Gromov will be in charge of Russia's military cooperation with former Soviet republics.

The president's press-secretary Vyacheslav Kostikov informed ITAR-TASS that General Gromov would be assisted by a special staff established within the framework of the Foreign Ministry to ensure his successful work.

A representative of the Defence Ministry's Information and Press Directorate, Vladimir Nikanorov, told ITAR-TASS that "Boris Gromov is not listed among the defence minister's six full-time deputies".

He added however that "General Gromov will evidently retain the rank of deputy minister promised him by Defence Minister Pavel Grachev".

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Nuclear Stations Given Antiterrorist Protection

MM1002154195 Moscow IZVESTIYA in Russian 11 Feb 95 p 1

[ITAR-TASS report: "Security Measures Reinforced at Nuclear Installations"]

[FBIS Translated Text] Russian nuclear installations are equipped with adequate protection systems. However, in connection with threats by Dudayev's supporters, additional precautionary measures have been taken, your ITAR-TASS correspondent was told by the Ministry of Atomic Energy Information Administration. In the interests of security, specialists prefer not to say what these measurs are. It is known that they are being conducted jointly with the Ministry of Internal Affairs, ITAR-TASS reported 10 February.

Federal Assembly

Duma Requests Yeltsin Arrange for Exchange of POW's

LD1002131295 Moscow ITAR-TASS in English 1253 GMT 10 Feb 95

[By ITAR-TASS correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow February 10 TASS—The State Duma of Russia on Friday [10 February] passed a resolution requesting the president to arrange for the exchange of prisoners of war.

Guided by concern for the protection of the Russian Army servicemen who are held captive by the Chechen side, the Duma members decided "to request President Boris Yeltsin to see to it that arrangements are made for an exchange of captives who participated in combat operations on the territory of the Chechen Republic which is part of the Russian Federation, and appoint a government commissioner to be vested with the necessary and sufficient powers".

State Duma Readdresses Cooperation Agreement With Ukraine

LD1002140095 Moscow ITAR-TASS in English 1337 GMT 10 Feb 95

[By ITAR-TASS correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow February 10 TASS—The Russian State Duma today commissioned its two committees to scrutinise the Russian-Ukrainian friendship and cooperation agreement which was initialled by government delegations on Wednesday [8 February] in Kiev. The CIS Affairs Committee and the International Affairs Committee are to present their summary to a State Duma plenary.

The motion to readdress the agreement was filed by Sergey Glotov, an independent deputy, who said some clauses of it contradicted resolutions of Russia's defunct Supreme Soviet. No one so far reversed those resolutions, including on the Black Sea Fleet, Glotov argued.

Russia and Ukraine found more common ground during a regular round of talks which were held in Kiev this week over the Black Sea Fleet, the most irritant issue in relations between Moscow and Kiev. In particular, Ukraine consented to basing of Russia's part of the fleet in Sevastopol and Russia's utilization of other disputed military sites on a contractual basis.

Duma Passes Law on State Service

LD1002151095 Moscow INTERFAX in English 1352 GMT 10 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 10 (Interfax)—The State Duma, Russia's lower house of parliament, passed in the third reading a law on the civil service Friday [10 February].

The law, called the Law on State Service, defines state service as work "to conduct government" both at federal and regional levels.

The law, passed by a vote of 289 versus two, introduces a "table of ranks" for the service, the highest ranks being those of "first-, second- and third-class state councillors" and the lowest those of "first-, second- and third-class assessors."

It bans civil servants from simultaneously holding any other employment, except teaching, research and other "creative" jobs. A special clause forbids them to engage in business. Nor can they receive pay for publications or speeches which are part of their duties.

Civil servants cannot be members of either federal or regional legislative bodies or serve in local government.

Before taking a civil service position one must report on one's incomes and property to the tax service and, if one takes the position, submit such reports yearly.

Civil servants have a right to annual leave. They and their families can have free medical assistance, including after they retire. The law also makes a provision for retraining and compulsory insurance for civil servants.

Regional Affairs

Reportage, Commentary on Conflict in Chechnya

French Paper Publishes Dudayev Letter

BR1002152395 Paris LE FIGARO in French 10 Feb 95 p 4

[Report signed "Ch.L." on letter by Chechen President Dzhokhar Dudayev: "Dudayev Fears a Nuclear Attack"]

[FBIS Translated Text] Dzhokhar Dudayev says that Russia is contemplating using tactical nuclear weapons in Chechnya. In a message addressed to various prominent politicians in the West, the president of the tiny

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Muslim republic explains that the "war faction" has become so powerful in Moscow that the craziest solutions are now possible. In Paris it was Jean-Francois Deniau, academician and Union for French Democracy's deputy for le Cher, known for his action to promote human rights, who was the recipient of this appeal. On 26 January a Chechen envoy handed Dudayev's message to the French deputy who had just returned from Moscow where he attempted a personal good offices mission. This handwritten letter was written in Russian on paper bearing the heading of the Chechen presidency. The signature was authenticated by a stamp bearing Dudayev's name. The jerky style and the shaky syntax are very striking. The author of these lines, clearly under great psychological pressure, wrote in haste. Before handing this document and its translation to LE FIGARO, Mr. Deniau showed it to several experts in Russian affairs. Without being able to give an absolute guarantee of authenticity, they thought the letter was interesting enough to warrant publication.

[Begin letter] By this statement I wish to inform you that a crisis situation has arisen in the Russian leadership to the extent that neither Yeltsin nor Chernomyrdin (the prime minister—LE FIGARO editor's note) is leading or controlling the country, the machinery of government, and the war faction at the highest echelons of executive power, in the Russian Parliament and in the Security Council.

The military aggression against Chechnya is moving toward the use of nuclear weapons.

On 18 January 1995, when we reached agreement with Chernomyrdin on all questions linked to a cease-fire, the Russian armed forces commander appointed by Chernomyrdin for the negotations did not accept the decision and did not come to the negotiations. In addition, on 18 January, the strategic air force dropped bombs weighing between 3 and 9 tonnes on Groznyy.

In the past week, the strategic air force has launched missile attacks, reinforcements have been sent in where the possibility of using tactical nuclear weapons has become a reality.

The publicity given to the start of the cease-fire negotiations and to the withdrawal of troops was only carried out to deceive the international community, at a time when the meeting between Christopher and Kozyrev (the U.S. and Russian foreign ministers—LE FIGARO editor's note) was taking place.

Because of an extremely dangerous crisis within the Russian leadership and discussions within the Federation Council on the possibility of making Yeltsin legally responsible for the aggression against Chechnya, and also because of the lack of control over the country by Yeltsin and Chernomyrdin, we ask you to take control of nuclear weapons in Russia and prevent a genocide in Chechnya. [end letter]

Dzhokhar Dudayev, president of the Republic of Chechnya

Further on Dudayev Letter

MM1302130795 Moscow PRAVDA in Russian 11 Feb 95 p 3

[Report by Vladimir Bolshakov: "Dudayev's Letter in French Newspaper"]

[FBIS Translated Text] Paris, 10 Feb—Today's LE FIGARO carries a letter from Chechen President Dzhokhar Dudayev which he reportedly addressed to "various Western politicians."

I telephoned Sh. Lambroshini [name as transliterated], who is in charge of LE FIGARO's foreign desk, and asked him to fax me the original of Dudayev's letter, which he obligingly did.

Here is the text, which I have reprinted from the original without changing a single comma:

"I hereby inform you that a crisis situation has developed within the Russian leadership whereby neither Yeltsin nor Chernomyrdin are governing or controlling the country and its structures of power and in particular the war party from the supreme executive and the Russian State Duma, which forms the basis of the Security Council.

"The military aggression unleashed against the Chechen Republic is today acquiring the nature of the use of nuclear weapons.

"On the day that all matters pertaining to the suspension of military operations were coordinated with V. Chernomyrdin—18 January 1995—the military leadership of the Russian Armed Forces appointed (so says the original—author's note) by Chernomyrdin for the talks did not obey the decision and failed to attend the talks. What is more, bombing raids of a magnitude of 8-9 tonnes were carried out 18 January by strategic aviation delivery vehicles on the city of Groznyy.

"Over the last week it was planned to carry out strategic aviation bombing raids and additional forces were brought up. The use of tactical nuclear weapons became a likelihood [stala realnostyu].

"The outward appearance that talks were starting regarding the suspension of combat operations and the disengagement of the sides' troops was meant to deceive the world community at the time of Christopher's meeting with Kozyrev.

"In connection with the extremely dangerous crisis within the Russian leadership and the Federation Council discussion of the question of instituting criminal proceedings against Yeltsin in connection with the aggression against the Chechen Republic of Ichkeria and Yeltsin's and Chernomyrdin's failure to govern the country I would ask you to take control of the nuclear weapons in Russia and the slaying of the people in the Chechen Republic of Ichkeria.

"Signed—Chechen President Dzhokhar Dudayev."

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There is the letter. It will have plenty of consequences. And if the author of this letter is indeed Dudayev and if he is right to warn of the Russian Army's possible use of nuclear weapons in Chechnya, the alarm must be sounded throughout Russia.

Dudayev-Chaired Congress Vows To Fight On

LD1002143995 Moscow INTERFAX in English 1352 GMT 10 Feb 95

[FBIS Transcribed Text] NAZRAN, Feb 10 (Interfax)—The Congress of the Chechen People at a recent meeting in Chechnya had decided to continue the armed struggle if its offer of peace talks was again rejected by the Russian military command, Ingushetia Government Advisor Petr Kosov told Interfax Friday. He said the forum was chaired by Dzhokhar Dudayev himself.

Kosov said the Chechens "have passed their own peace plan to the Russian military leadership".

He said Chief of Staff of the Chechen Armed Forces General Aslan Maskhadov and Battallion Commander Colonel Shamil Basayev received top government awards. Four Chechen fighters were awarded the title of Hero of Chechnya posthumously.

Kosov said that only a Japanese correspondent had been allowed to attend the forum.

Rokhlin's Troops Prepare for Withdrawal

LD1002151395 Moscow ITAR-TASS in English 1428 GMT 10 Feb 95

[By ITAR-TASS correspondent Sergey Ostanin]

[FBIS Transcribed Text] Moscow February 10 TASS—Russian military units and detachments commanded by Lt. General Lev Rokhlin are getting ready to leave Chechnya. The loading of military equipment on a troop train has begun today, ITAR-TASS was told in the press centre of the land forces. The train with troops and equipment is expected to leave for Volgograd, the permanent place of its stationing, on Saturday February 11.

General Rokhlin's units and detachments comprised the Northern Group of the federal Armed Forces in Chechnya.

The land force press centre spokesman also said that the public in Volgograd is getting ready to accord a solemn welcome to the troops, who took part in combat actions in Chechnya.

Pacific Fleet Marine Regiment Replaced

LD1002155995 Moscow INTERFAX in English 1352 GMT 10 Feb 95

[FBIS Transcribed Text] VLADIVOSTOK, Feb 10 (Interfax)—Russian interior ministry troops have begun replacing a regiment of Pacific Fleet Marines in Groznyy as planned previously.

The regiment has carried out its task, the Pacific Fleet press center told Interfax. Its casualties run at 12 dead and about 60 wounded.

'Liberated' Areas of Groznyy Being Restored

LD1002173395 Moscow ITAR-TASS in English 1719 GMT 10 Feb 95

[FBIS Transcribed Text] Moscow February 10 TASS—The Russian government press service circulated the following report here today:

"According to the mobile information center, liberated Groznyy boroughs are being restored. Damaged sections of the medium-pressure gas pipeline in the area of the Krasnyy Molot plant have been halted. Repairs are underway.

"A water-pumping station and a water pipe have been inspected in the area of Vinogradnoye - Tolstoy-Yurt. Rescue operations are being held in the ruined city boroughs. An inspection of chemically-dangerous Groznyy facilities has been held.

"A federal check point on the Chechen-Ingush border has detained two trucks carrying humanitarian aid to Nazran from Adygeya. An inspection of one truck revealed anti-tank guided shells hidden under foodstuffs and warm clothes.

"Commenting on the incident, president of Adygeya Aslan Dzharimov said with indignation: 'While the 131th Maykop Motorized Infantry Brigade, which includes young men from Adygeya, is courageously fighting against Dudayev militants, scum are supplying arms to bandits for money and the arms are used to kill our guys'".

Federal Authorities Control Two Regions

LD1002195195 Moscow INTERFAX in English 1717 GMT 10 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 10 (Interfax)—According to the government press service, "federal authorities have under their control two of 11 Chechnya administrative regions, Nadterechny and Naurskiy." "About 170 refugees have returned to the liberated territory," the press service reported.

Referring to the command of the federal forces in Chechnya, the press service reported that "over the previous 24 hours units of the joint grouping of Russian forces continued routing out fighters from their positions and expanding territories under their control."

"The Western Group of Forces was purging Groznyy's right bank section of illegal armed formations. The Northern Group was transferring the region to the control of Interior forces and Interior Ministry bodies. The south-eastern group, which was transformed into the Southern Group, was rebuffing attacks by small groups

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of fighters from Chechen-Aul and Argun," the government press service informed.

As far as Interior forces of Russia's Interior Ministry are concerned, they "have blocked the main routes of fighters' movement, blocked sites of their deployment, and participated in operations on disarming illegal armed formations in Groznyy's Leninskiy and Zavodskoy regions and near the village of Assinovskaya," according to the press service.

The press release states that "despite substantial losses and surrender of the majority of strongholds, Dudayev's supporters have not ceased pocket resistance and are getting ready for further active operations. According to different sources, the total strength of bandit formations, which have heavy military equipment, is about 15,000 people.

According to available information, "Vice President Yandarbiyev acquires greater influence among field commanders, he favors halting hostilities and resumption of peace negotiations with Russia. He proposes to discuss ways of surmounting the Chechen conflict with the help of informal leaders of political movements throughout the whole North Caucasus."

Chechen Home Guards Remain in Suburbs

LD1002195895 Moscow INTERFAX in English 1717 GMT 10 Feb 95

[FBIS Transcribed Text] GROZNYY, Feb 10 (Interfax)—Before noon on Friday Russian artillery subjected Groznyy's residential districts, where there are Chechen home guards, to fire. These districts are at a distance of less than five kilometers from Minutka Square to the south-west of Groznyy's center.

Chechen home guards continue to retain under their control Groznyy's western suburbs, the villages of Aldy and Chernorechye. Our Interfax correspondent reports that the front line between home guards and Russian forces is right here, two kilometers from the Chernorechye Dam.

Storage facilities of the oil-chemical complex in Groznyy's Zavodskoy Region, bordering Chernorechye and partially controlled by Russian forces, were still burning on Friday.

Our correspondent reports that the command of the Russian detachments, which occupy positions 50 meters from the outskirts of the village of Aldy, have established contact with the local Elders, persuading them to force fighters to vacate residential areas so as to avoid artillery shelling of the village.

On Friday the Elders met with commanders of the Chechen armed formations which control this territory, however, our Interfax correspondent reports that they failed to persuade home guards to leave Aldy.

10 February Bomb Strikes 'Heaviest' Yet

LD1102045395 Moscow Radiostantsiya Ekho Moskvy in Russian 0400 GMT 11 Feb 95

[FBIS Translated Text] Movladi Udugov, head of Chechnya's information department, told us by telephone that on Friday the Russian federal troops made what were the heaviest missile and bomb strikes since 11 December on practically the entire territory of the Chechen Republic.

Civilian Casualties Pegged at Over 40,000

LD1102100795 Moscow 2x2 Television in Russian 0400 GMT 11 Feb 95

[FBIS Translated Text] A massive missile and bombing strike was launched yesterday against Groznyy and about 15 other population centers, including Gudermes. Movladi Udugov, head of Chechnya's information department, stated this in an interview with Ekho Moskvy radio.

According to him, Dudayev is still in Chechnya, 2-4 km from Groznyy. Udugov quoted assessments of the losses during the fighting in Chechnya: The losses in Dudayev's forces total over 800 dead, and the number of casualties among the civilian population in Groznyy alone is in excess of 40,000. The Chechen side claims that the losses among the Russian troops are between 12,000 and 20,000 dead.

In Udugov's view, the replacement of army units in Chechnya by Interior Ministry forces is unrealistic. Today, however, units and subunits under the command of General Rokhlin are leaving Chechnya for Volgograd, where they are permanently based.

Dudayev Propaganda 'Increasingly Active'

LD1102120995 Moscow ITAR-TASS in English 1201 GMT 11 Feb 95

[Quotation marks as received]

[FBIS Transcribed Text] Moscow February 11 ITAR-TASS—The Press Service of the Russian Government has today released the following report:

"According to information received from the command of the federal troops, the joint group of Russian forces in the Chechen Republic was discharging its military duties during the past 24 hours in the zones for which it bears responsibility and was regrouping its troops. Individual units had to beat off the attacks of unlawful armed formations.

Interior troops and units of the Interior Ministry were engaged in blocking the main routes used by Dudayev's fighters and areas where the unlawful armed formations are deployed. Together with border guards, they ensured the blocking of the Chechen administrative boundary and fulfilled commandant duties in Groznyy.

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Dudayev's supporters continued to move their forces into the western and eastern areas of Chechnya, where major resistance bases are being created. According to the available data, the group of unlawful armed formations on the administrative boundary with Dagestan now numbers 5,500 men, and another one in the area of Gudermes—up to 600 men. There is a large resistance stronghold in the western part of Chechnya, near the administrative boundary with Ingushetia. Up to 6,000 armed volunteers are concentrated there.

Intensive preparations of Chechen bandit gangs for a possible Russian offensive on Gudermes are being observed. The unlawful armed formations are planting mines on the railway and in the locomotive depot, installing anti—aircraft guns and systems. Fortifications are being thrown up in the central part of the town.

Contrary to the decision, adopted by the elders of the Assinovskaya settlement, Dudayev's fighters refused to withdraw from it and are planning an armed attack on posts of the Russian interior troops and border guards.

Dudayev's propaganda to the south-eastern part of Chechnya is becoming increasingly active. Used for this purpose are local television and radio-relaying networks. Video records of statements by Dudayev and his supporters, strips showing some combat operations launched by the unlawful armed formations, and decoration of Dudayev's men are being shown through cable television channels in the towns of Gudermes and Shali".

Three-Stage Chechen Military Plan Detailed

LD1102142295 Moscow Radiostantsiya Ekho Moskvy in Russian 1103 GMT 11 Feb 95

[FBIS Translated Text] Our correspondent Aleksandr Klimov managed to contact Chechnya's Press Minister Movladi Udugov last night. We now present a part of this interview. Movladi Udugov is replying to the question: Have Dzhokar Dudayev's supporters really begun to withdraw from Groznyy?

[Begin recording] [Udugov] The main headquarters of the armed forces are located literally two-three km from the city of Groznyy. There is another reserve headquarters in Argun. A third reserve headquarters in the suburbs of Groznyy, in the village of Chernorechye. There are several other control headquarters virtually all over the territory of the Chechen Republic. No withdrawal is envisioned.

The only thing is that, the other day, literally two or three days ago—and we have already reported this—the Chechen Republic's state defense committee held a meeting at which Aslan Maskhadov, chief of the armed forces General Staff, spoke. He made public the first part of a three-stage plan for conducting military actions against the Russian army of occupation which was, by the way, adopted 22 December 1994.

In accordance with this plan the defense of Groznyy city—the organized defense with the clear preservation of a frontline—was to continue until 1 February 1995. This plan was totally fulfilled. Therefore, the main staff took the decision to move their headquarters from the city of Groznyy. At the same time they left in Groznyy's territory special mobile units which divided the city into separate sectors and each of these units continues to control its sector. So, no one intends to surrender the city or leave it at present. This is not envisioned. But the main part of the plan has been fully carried out.

General Aslan Maskhadov stated that the second phase has now come into effect, the second part of the plan. He did not specify how long this would last. But in my opinion, this second part of the plan, judging from what the military people have been saying—the main staff and Maskhadov—it may last from a month and a half to three-four months.

Further, Aslan Maskhadov said that there is also a third part to the plan. I do not know what he meant by this. But it is a fact that the Chechen governmental forces and the forces of the people's militia have actually made very serious preparations for a spring-summer military campaign which will be stepped up; with virtually every passing day military actions are increasing in intensity, fierceness, and force. That is the danger.

Combat actions are going on everywhere, virtually over the whole territory of Chechnya. Virtually every population center is being stormed. Nadterechnyy rayon of the Chechen Republic is under the full control of the Russian army now and even our so-called opposition are alarmed by the actions of the Russian army; they are writing letters complaining that violence is being perpetrated against women, old people, and children; there are robberies and murders. In the city of Groznyy mass shootings of the peaceful population is going on, especially at night; there is violation against the weak and against women.

In centers of population which are under the control of the Russian army—in the first instance these are the population centers of Petropavlovskaya, Assinovskaya, Birkat-Yurt which are outside Nadterechnyy rayon. Pervomayskaya has been totally destroyed; there is nothing left to steal there. Massive looting and violence is going on there.

Moreover, all this campaign and the things that they are trying to hide—the number of people killed; bodies are being thrown into gorges; they are being buried in silage pits; hundreds of bodies in special ditches—all of this is an attempt to hide the vast losses the Russian army has suffered which literally amount to a minimum of 12-20,000 Russian soldiers killed.

These losses are being concealed. Things have gone so far that they blow up equipment which has been hit. In the city of Groznyy alone over 500 Russian armored vehicles have been destroyed. That equipment is taken away

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somewhere and blown up. This is dreadful. As President Aushev said, it is a mad house, a real madhouse. That is how the actions of the Russian military can be described.

[Klimov] Movladi, are there any signs that the Russian federal troops are gradually handing over the occupied territory to the Interior Ministry troops, as we are being told in Moscow.

[Udugov] If they hand over to Interior Ministry control even one shred of territory, these Interior Ministry troops will immediately be destroyed by Chechen governmental sources or popular volunteer forces. The Russian army and the Russian generals know very well that the Interior Ministry troops will not be able to hold even one percent of Chechen territory. So all of this is just a bluff. The Russian troops can hold on to occupied Chechen territory only with a vast numerical superiority and with a fearful amount of military equipment. So there can be no question of any hand over. All of this is elementary, obvious propaganda aimed at the ordinary Russian and the ordinary Westerner who is not aware of the real situation. [end recording]

Grachev, Yerin Discuss Replacing Army Units

LD1102144495 Moscow INTERFAX in English 1310 GMT 11 Feb 95

[FBIS Transcribed Text] Moscow, Feb 10 (Interfax)—Russia's Defence Minister Pavel Grachev has called for replacing Army units with Interior Ministry troops in Chechnya within the next days. He expressed this wish to interior chief Viktor Yerin during a meeting at the Chkalovskoye Airport near Moscow Friday night.

In an exclusive interview with Interfax upon his return from Almaty, Grachev voiced satisfaction with the results of the CIS summit in Kazakhstan's capital. "The military cooperation issues put on the agenda were solved in full," he stressed, noting that "for the first time all CIS states displayed readiness to create a common anti-aircraft defence system." He voiced confidence that "military cooperation between CIS countries would advance in other fields, too."

He also reported that on agreement with CIS military department chiefs, Air Force General Viktor Prudnikov, commander of Russia's Anti-Aircraft Defence will take over a CIS Anti-Aircraft Defence Command.

Semenov, Shoygu Discuss Groznyy Restoration

LD1102180195 Moscow ITAR-TASS in English 1723 GMT 11 Feb 95

[FBIS Transcribed Text] Moscow February 11 TASS—The following report of the Russian Government press service was circulated here today:

"Head of the Chechen territorial department of federal executive power bodies Nikolay Semenov and Russian Minister for Emergency Situations Sergey Shoygu held a conference today to discuss restoration works in Groznyy.

"They admitted that the most acute problem is non-stop supply of drinking water. The situation faced by rescuers in clearing of blockages and liberation of residents from basements of ruined buildings provokes grave concern. The thing is that retreating militants mined buildings in order to hamper the restorations and return of refugees to their homes. Numerous mining of dead bodies and approaches to the wounded is especially outrageous. A nurse of the Chechen national revival government's medical unit was killed by an explosion of such mine some days ago.

"The meeting also focused on organization of local interior bodies. A patrol service has been formed in Groznyy to ensure law-enforcement arrangements and keep order in the streets.

"The interlocutors noted efficient activities of the patrol battalion that involves local residents and acts on territory of the Urus-Martan region. The battalion has been preventing penetration of illegal armed units into the region for two months. Last night gangs were trying to penetrate into the town of Urus-Martan from the Goita settlement. Three militants were killed and two captured. Their search revealed a portable radio station. In the opinion of the battalion command, the militants aimed to organize artillery shelling of Urus-Martan and accuse federal troops of it".

Weapons Fire Diminishes, 'Marauders' Active

LD1102144995 Moscow ITAR-TASS in English 1423 GMT 11 Feb 95

[By ITAR-TASS correspondent Ruslan Maysigov]

[FBIS Transcribed Text] Nazran February 11 TASS—The shooting in Groznyy began to die down today and only separate shots can still be heard mainly on the southern suburbs of the Chechen capital.

Nevertheless, the local citizens, hiding in the basements of ruined buildings in the northern part of Groznyy, still dare not venture outside in spite of minimum conveniences, lack of heating and excessive moisture in their grim refuges. They now fear surprise raids by Dudayev's fighters and armed marauders.

Local residents told ITAR-TASS that marauders had shot dead several people in the village of Staraya Sunja, who dared return to their houses. Three bodies with bullet holes in the forehead, they said, were found in the village of Kalinino, in the suburbs of Groznyy.

The remaining population of the Chechen capital are suffering mostly from lack of water and medicines. They had repeatedly stopped the ambulance, in which your correspondent was riding, asking for water and medicines. The snow has mostly melted in groznyy and

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nothing can now be used as water instead of it. Many local residents said they were suffering from scab. [sentence as received]

Journalist Disputes Casualty Estimates

LD1102215095

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 2000 GMT on 11 February carries a two-minute "Vesti" newscast report on casualties among Russian servicemen in Chechnya.

Yuriy Shchekochikhin, an editor in the independent investigations section of LITERATURNAYA GAZETA, denies Russian Chief of Staff Mikhail Kolesnikov's claim that Russian losses in Chechnya amounted to around 1,000 men. Shchekochikhin says that, following his return from Chechnya recently, the authorities are lying about casualties. He says that "after the first offensive back in January, staff officers from various services got together and counted their losses and got the figure of 5,000 men."

Shchekochikhin believes that the Russian authorities are to blame for arms deliveries to Dudayev's regime, because two roads to Groznyy were open, without so much as militia patrols present there. These roads were used to transport arms to Groznyy, he says, adding that "a radio intercept was discovered with Dudayev saying 100,000 dollars had to be paid for arms to be delivered by air and parachuted down: but, after all, these planes are not from Luxembourg, they are our planes!" A thorough investigation of the war is needed and, as for the people actually fighting in Chechnya, they are "speechless" and only able to mouth obscenities about their generals, he says.

Groznyy 'Practically Tranquil' During Day

LD1202133695 Moscow ITAR-TASS in English 1321 GMT 12 Feb 95

[FBIS Transcribed Text] Moscow February 12 Tass—The Press Service of the Russian Government on Sunday circulated the following information on Chechnya situation:

"According to a report from the mobile information centre, the situation in Groznyy has not undergone special changes over the past 24 hours and there have been no active combat operations on the territory of Chechnya. Federal units were busy tackling problems concerning everyday life in areas under their control. The military command of the southern group of troops held talks with Chechen-Aul residents who promised that there would be no firing on Russian troops from that populated area.

"In the daytime, the situation in Groznyy is practically tranquil, whereas the nightly situation is much more dangerous, with snipers being on the prowl. The remaining small groups of militants put up resistance to federal and Interior-Ministry troops only in Chernorechye (Black River) district and on other outskirts of the Chechen capital.

"According to a statement by Umar Avturkhanov, chairman of the Provisional Council of the Chechen Republic, the formation of local state power bodies is proceeding at a rapid pace. Prefectural councils have begun to function in Nauri, Groznyy, Itumkali, Shato, Nozhai-Yurt, Nadterechnyy and Staropromyslovskyy districts of the republic.

"Administration chiefs have been appointed in more than 100 villages with due regard for the opinion of the residents of populated areas who, at their meetings or through the Councils of Elders, recommend candidacies to the republican government for appointments.

"A workshop engaging in the manufacture of homemade explosive devises for sabotage acts against federal troops was discovered on the territory of the republican tuberculosis hospital in Groznyy. The already prepared explosive devices and materials for their manufacture were seized.

"The elders in one of the villages of Botlikh district thwarted an attempt by a 50-member group of militants to attack border posts of federal troops".

Northern Fleet Marine Battalion Withdrawn

LD1202152295 Moscow ITAR-TASS World Service in Russian 1405 GMT 12 Feb 95

[By ITAR-TASS correspondent Vasiliy Belousov]

[FBIS Translated Text] Murmansk, 12 Feb—A battalion of marines from the Northern Fleet has been fully withdrawn from the area of active combat operations in Groznyy. Judging by information the Northern Fleet's headquarters has received from Chechnya, the servicemen are at present resting in a northern suburb.

It has become known to an ITAR-TASS correspondent from well informed sources that it is planned for the marines to be transferred in the very near future to the Kola peninsula—their permanent base.

Villages Bombed, Groznyy TV Tower Blown Up

LD1202164095 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 12 Feb 95

[FBIS Translated Text] Movladi Udugov, head of Chechnya's information department, told our radio station in a telephone interview that the Russian Army launched powerful strikes on several villages in Chechnya today, including Alkhan-Yurt, where many refugees are gathered, and the area near the town of Argun, where 12 residential houses were destroyed.

Udugov confirmed that while retreating the Chechens mined many vital facilities. Thus the Groznyy television

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tower was blown up today, and yesterday the same happened to military cantonments inside Groznyy.

Udugov also told us that the territory of the former Soviet missile troops unit near the village of Alkhan-Kala were blown up today.

[Begin Udugov recording] After the Chechen forces withdrew from the territory of the missile troops unit, the Russian troops attempted to capture it. Twenty-four armored vehicles and up to 250 soldiers entered the territory. After they entered, the entire territory was blown up—it was mined. There were warheads of medium-range missiles and stocks of oxygen tanks. All the equipment and soldiers who entered the territory of the unit were completely destroyed by fire. [end recording]

Pro-Chechen Meeting in Nalchik Broken Up

LD1202172095 Moscow INTERFAX in English 1403 GMT 12 Feb 95

[FBIS Transcribed Text] NALCHIK, Feb 12 (Interfax)—Riot police dispersed on Sunday, in the capital of Kabardino Balkaria, Nalchik, a public meeting in support of Chechnya, which was organized by the Kabardian national movement.

An Interfax correspondent reports that police detained its leaders: leader of the Adyge Khase organization Valery Khatazhukov, Deputy Chairman of the Congress of the Kabardian People Zhantimir Gubachikov, founder of the Kabardian National Movement Zaur Naloyev.

Police intensified dispersing the meeting after around 150 its participants intended to leave the place.

The resolution which was approved by the participants in the meeting contains the demand "that the war in Chechnya should be stopped and the talks with Dzhokhar Dudayev start, as well as that the Kabardian law of December 14, 1994, which bans in the republic public meetings, demonstrations and pickets until the situation stabilizes in the republic, be canceled."

Policemen used this law to justify their actions aimed at dispersing the meeting.

Udugov, Maskhadov Cited on Conflict

LD1202193595

[FBIS Editorial Report] Moscow Radiostantsiya Ekho Moskvy in Russian at 1713 GMT on 12 February carries a 10-minute report featuring a telephone conversation an unidentified correspondent had "earlier today" with two representatives of the supreme leadership of the Chechen Republic, Chief of Main Staff Aslan Maskhadov and Press Minister Movladi Udugov. The announcer says the two men "are currently in a command bunker a few kilometers from Groznyy."

The correspondent reports Udugov as saying that today, the Russian Army had massively shelled Argun and several villages where a large number of refugees were sheltering:

"Udugov confirmed that before they left, the Chechens mined the most vital facilities, and these are now gradually exploding."

Udugov himself goes on to say that the former Soviet missile troop unit near Alkhan-Kala and Yermolovka southwest of Groznyy, which ceased its operations a few months ago, has been occupied by Chechen forces. After the Chechen forces withdrew, he says, "Russian troops attempted to capture it. Twenty-four armored vehicles and up to 250 soldiers entered the compound. After they entered, the entire compound was blown up; it had been mined. There were warheads of medium-range missiles and stocks of oxygen and oxidizers there. All this was blown up; virtually all the windows in the neighboring villages of Alkhan-Yurt and Yermolovka were blown out, and some light buildings in the village of Urus-Martan were even destroyed, the explosion was so powerful. All the equipment and the soldiers who entered the compound of the unit were completely destroyed and burned out."

Udugov says a number of military cantonments in Groznyy have also been destroyed today and on the two preceding days to stop them falling to the Russians. The Groznyy television tower was blown up this morning.

Asked by the correspondent to assess the military situation and the performance of the Russians in Chechnya, Aslan Maskhadov, chief of the main staff of the Chechen armed forces, says that Russia would not appear as the victor in the campaign, given the losses, and "if Grachev is a true officer, he'll shoot himself." The fighting has now moved to around Bamut, Assinovskaya, and Samashki in Achkhoy-Martanovskiy Rayon, where a second front is being opened; a third front is effectively being opened around Argun and Shali. In Groznyy itself, he says, fighting is under way in Oktyabrskiy district; the 12th, 56th, and 30th sectors; and in Aldy and Chernorechye, which are controlled by the defense forces.

Maskhadov says: "It's much too early to speak of the success of Russian Federation troops or of Chechen forces." He says his forces could hold the areas in Groznyy for a long period; there never was any decision to quit Groznyy, he says. "Even if the city is left, this will be in a planned way, by order; we won't just abandon it, certainly not."

Asked about the Russian Army's losses, Maskhadov says the Russians have lost about 13,000 men and 400-450 armored vehicles; he did not know how many had been wounded, but there were over 300 prisoners. The Chechens had lost over 500 men, between eight and 10 tanks, 10-12 armored personnel carriers, and up to 15 guns.

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As for prisoners of war, Maskhadov says the situation is rather like a kindergarten: mothers come and collect their sons. But the Chechens are exchanging Russian officers alive for Chechen corpses, because they believe a man should be buried in dignity.

To begin with, Maskhadov says, it is hard to ensure discipline among the Chechen fighters, but once the fighting entered the second stage, discipline was firm; and the Chechens' morale is buoyant. The Chechens have always had enough weapons, "particularly small arms and antitank weapons. We are experiencing no shortage of weapons of this kind. We also have enough ammunition. How much we have bought or confiscated from the enemy is a secret. But I can tell you that so far we are not receiving weapons or ammunition from any state."

Tomorrow, Maskhadov says, he is leaving for talks with the Russian command:

"Today I sent my written consent to enter into negotiations with the Russian command, with Anatoliy Kulikov and Anatoliy Kvashnin. We are going to talk in order to stop this bloodshed."

Maskhadov Confirms Release of POW's Halted

LD1302060595 Moscow Radiostantsiya Ekho Moskvy in Russian 0407 GMT 13 Feb 95

[FBIS Translated Text] Aslan Maskhadov, chief of the main staff of the Chechen armed forces, confirmed that the Chechen side has stopped returning Russian POW's to their mothers.

[Begin Maskhadov recording] In my view, we have already turned into a kindergarten. A mother comes, takes her son, and goes. Then the next one comes—we give him back to her, too. How many officers have I let go there, you know! Now we have stopped that because it has already become fashionable for a mother to come for her darling son. But I say: Your darling son is a criminal. Look at the town! Look at my comrades who have been killed! The town is destroyed! The villages are destroyed! He sat in his tank and fired at that house, didn't he? [end recording]

Udugov Claims Village 'Razed to the Ground'

LD1302092595 Moscow Radiostantsiya Ekho Moskvy in Russian 0407 GMT 13 Feb 95

[FBIS Translated Text] According to Movladi Udugov, head of Chechnya's Information Department, Chechen forces are in complete control of the villages of Aldy, Chernorechye, and Novoye Chernorechye. He said that special subunits who continue to control the southern and southeastern parts of Groznyy remain in the town. Udugov also said that the Russian army has launched powerful strikes on several villages in Chechnya:

[Begin Udugov recording] A large number of refugees were concentrated near Alkhan-Yurt and an unexpected massed artillery strike lead to a large number of casualties. There are a great many casualties among the women and children who lived there. Inhabitants are now leaving that village en masse and the village of Alkhan-Kala, formerly Yermolovskaya, is practically being razed to the ground from the air and the surface. Today [12 February], there were missile, bomb, artillery, and [word indistinct] strikes on Chechen village positions near the town of Argun as well as bomb strikes on residential areas. Twelve houses were destroyed in Argun. [end recording]

Russian Losses Near Alkhan-Kala Disputed

LD1302112995 Moscow Radio Rossii Network in Russian 1000 GMT 13 Feb 95

[FBIS Translated Text] In an interview with our correspondent a representative of the Russian Defense Ministry's information and press center refuted claims by Dzhokhar Dudayev's spokesman Movladi Udugov that 250 Russian servicemen were killed as a result of a mine-trap on the territory of a former Soviet missile launch center near the Chechen city of Alkhan-Kala. Udugov made this statement in an interview with Moscow Ekho radio. The Defense Ministry's representative said that this report should be understood in the context of the information war which is being waged by Dudayev's supporters.

Attempt on Dudayev's Life Said Thwarted

LD1302122295 Moscow INTERFAX in English 1119 GMT 13 Feb 95

[FBIS Transcribed Text] Groznyy, Feb 13 (INTERFAX)—An attempt on the life of Dzhokhar Dudayev was thwarted on Sunday.

As his press spokesman Movladi Udugov has reported to Interfax with reference to an official statement by the Chechen leader's security service, a group of "suspected persons" was detained in Gudermes near the place where Dudayev was to meet with local leaders upon his arrival in the city on February 12. The suspects "confessed to have been assigned to shadow Dudayev. Among the suspects are residents of Dagestan and Azerbaijan", Udugov said.

The Chechen president's security service has charged Russian and Azerbaijani special services with engineering an attempt on Dudayev's life.

Federal Troops Shell Argun, Other Villages

LD1302122795 Moscow INTERFAX in English 1217 GMT 13 Feb 95

[FBIS Transcribed Text] Groznyy, Feb 13 (INTERFAX)—Last night federal troops opened rocket fire at Argun, 20 kilometers to the east of Groznyy.

A spokesman for the Chechen leader Movladi Udugov told INTERFAX that at about 5 a.m. Monday federal

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troops attempted to break through the defense lines running along the Argun River in the area of the local mill and claimed that the Russian tank attack was rebuffed after an hour and a half of fighting.

According to Udugov, rocket and bomb attacks continued from early morning Monday at Alkhan-Kala and Alkhan-Yurt (about 10 kilometers to the south-west of Groznyy) inflicting numerous casualties among local residents and refugees.

Udugov claimed that sporadic exchanges of fire continue in Groznyy, in particular in the area of Minutka Square and Staropromyslovskiy and Zavodskoy districts. Quoting the Chechen headquarters, Dudayev's representative said that Chechen forces control the southern and south-eastern suburbs of Groznyy, in particular Chernorechye and Aldy.

According to the headquarters, separate armed groups conduct combat operations in the city center, the first, sixth and fourth districts as well as in the area of the hippodrome.

Troops Shell Groznyy's Southwest Suburbs

LD1302123595 Moscow INTERFAX in English 1119 GMT 13 Feb 95

[FBIS Transcribed Text] Groznyy, Feb 13 (Interfax)—Russia's troops, controlling the bulk of Groznyy, continued to shell all day long on Sunday the Chechen capital's south-western suburbs, where the units loyal to Dzhokhar Dudayev were based. As an Interfax correspondent reports from Groznyy, the shelling was conducted from both artillery guns and rocket launchers.

In the meantime, as the correspondent notes, the capital's downtown, captured by federal forces in early February, lay in ruins. The worst hit were the buildings on the right bank of the Sunzha River, defended by Chechen militia for a long time. They seem to be beyond repair.

There are hundreds of cartridges and empty ammunition boxes scattered around the sites of recent battles all over the city. The tops of virtually all trees have been cut by shell splinters. The narrow lanes at approaches to Groznyy are littered with burned armor—a reminder of the fierce fighting there.

In downtown, one can see people, carting whatever has been left from their belongings out of their wrecked homes. The Russian army posts on the right bank of the Sunzha keep civilians from moving to areas around the Minutka square (1.5 kilometers from downtown), since the Russian troops only partly control the situation there.

But some areas have been only slightly hit: mainly northern suburbs, the Kalinin community included.

The IF correspondent interprets the haulage of military and construction equipment across the city as evidence that work to clear up the debris has either begun or will start soon.

On Sunday, federal gunners shelled for the first time since last Friday the Alkhan-Yurt community, situated 15 kilometers west of Groznyy, close to the Rostov-Baku highway.

Evidence Being Collected for Dudayev Trial

MM1302113595 Moscow ROSSIYSKAYA GAZETA in Russian 11 Feb 95 First Edition p 2

[Report by Lyudmila Beldyugina: "Innocent Victims"]

[FBIS Translated Text] Stavropol—Stavropol investigators have begun gathering evidence for legal proceedings to be instigated against Dzhokhar Dudayev.

There are around 800 refugees and displaced persons from Chechnya in Stavropol, and they have been quizzed by Prosecutor's Office staff. Witnesses' accounts of crimes committed by the Dudayev regime make up the basis of the charge which Russia's General Prosecutor intends to file against Dzhokhar Dudayev under a whole series of articles of the Russian Federation Criminal Code.

This work is being conducted by investigators fro all the prosecutor's offices—rayon, city, and kray.

Their staff are being helped in gathering testimony by the migration services and law enforcement bodies: Interviews are being held in hotels, at temporary refugee shelters, and at railroad stations.

Kray First Deputy Prosecutor Aleksey Selyukov has files on his desk containing eye-witness accounts from those who fled Chechnya before and since the military events. He picks up the first copybook pages to fall to hand containing the ingenuous, tragic histories from former Groznyy inhabitants and reads them aloud. It makes for harrowing listening: One man was beaten until he handed over the keys to his "Zhiguli" to his torturers; money was wrung out of a mother and her 12-year-old daughter Lena was taken away as "security"—her fate is unknown. A third family was warned that if they did not hand over their apartment of their own free will they would be killed. Incidentally, information about robberies, blackmail, and the forcible confiscation of vehicles and apartments appear most frequently in the witness accounts.

It has to be noted that the people who have been fleeced or beaten up on Groznyy's streets or in their own apartments are by no means filled with hatred for all Chechens, and they mention some fondly, with gratitude.

Up to 300-400 refugees arrive on the kray's territory every day. To date the migration services have registered 18,500 people. Around 8,000 of them have moved beyond the borders of Stavropol, into the heartlands of Russia.

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Maskhadov Set To Meet With Russian Generals

LD1202170695 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 12 Feb 95

[Passages within quotation marks recorded]

[FBIS Translated Text] Chechen detachments are prepared to continue their resistance for a long time to come and have enough weapons for this, Aslan Maskhadov, chief of the main staff of the Chechen armed forces, told our radio station in an interview.

[Maskhadov] "We have enough weapons, particularly small arms and antitank weapons. We do not experience any shortage of weapons of this kind. We also have enough ammunition. How much we have bought or confiscated from the enemy is a secret. But I can tell you that so far we are not receiving weapons or ammunition from any state."

[Unidentified correspondent] According to Maskhadov, during the course of the fighting Chechen detachments have lost about 30 armored vehicles and over 500 of their men have been killed. As for the Russian sides' losses, according to Maskhadov, they amount to about 13,000 men killed and 400-450 armored vehicles destroyed.

Meanwhile, talks between the Russian and Chechen military commands are to be held tomorrow [13 February] with the mediation of Ingushetian Vice President Boris Agapov and the cossacks. This news was also broken to us by Aslan Maskhadov, chief of the Chechen main staff.

[Maskhadov] "I will have talks tomorrow, I am leaving for these talks. Today I sent my written consent to enter into negotiations with the Russian command, with Anatoliy Kulikov and Anatoliy Kvashnin. We are going to talk in order to stop this bloodshed."

[Correspondent] Let me just add that all the technical details, the exact time and place for the talks are to be finalized tonight.

Kulikov, Maskhadov Agree to Cease-Fire

LD1302142495 Moscow ITAR-TASS World Service in Russian 1359 GMT 13 Feb 95

[By ITAR-TASS Correspondent Ruslan Maysigov]

[FBIS Translated Text] Nazran, 13 Feb—A cease-fire agreement has been reached at a meeting between General Colonel Anatoliy Kulikov, commander of the united group of federal troops in Chechnya, and Aslan Maskhadov, head of the General Staff of the Dudayev forces. The meeting took place at the Ingush village of Ordzhonikidzevskaya. The ITAR-TASS correspondent has learned about this from government sources in Ingushetia.

Kulikov Reportedly Orders Cease-Fire

LD1302151095 Moscow ITAR-TASS in English 1501 GMT 13 Feb 95

[By ITAR-TASS Correspondent Ruslan Maysigov]

[FBIS Transcribed Text] Nazran February 13—A cease-fire agreement was reached on Monday at a meeting of the commander of Russian federal troops in Chechnya, Colonel-General Anatoliy Kulikov, and Chechen military commander Aslan Maskhadov.

The meeting was held in the Ingush settlement of Ordzhonikidzevskaya, ITAR-TASS learned from sources in the Government of Ingushetia. It was also attended by Ingush Vice-President Boris Agapov.

The same sources said that Kulikov ordered his troops to cease artillery fire directly from Ordzhonikidzevskaya.

The talks will continue on Wednesday. Their venue has not been disclosed so far.

During the meeting, Maskhadov said that he is authorised by Chechen President Dzhokhar Dudayev to conduct negotiations "only on military issues."

Moscow Lifts State of Emergency in Ossetian-Ingush Zone

LD1002190195 Moscow INTERFAX in English 1717 GMT 10 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 10 (Interfax)—"Moscow is lifting the state of emergency in the zone of the Ossetian-Ingush conflict, but continues to keep the situation under control," the president's legal aide Mikhail Krasnov told a news conference in Moscow on Friday.

He said that agreement was reached in the Kremlin at a meeting of senior Russian administration officials and leaders of North Ossetia and Ingushetia, Akhsarbek Galazov and Ruslan Aushev.

Krasnov also said that Boris Yeltsin today was handed a draft decree on "measures to eliminate the consequences of the Ossetian-Ingush conflict," which had caused serious bloodshed in the autumn of 1992 necessitating the imposition of a state of emergency on part of the territories of the two neighboring republics.

According to the draft decree, the federal body which will tackle the problems of eliminating the conflict's consequences remains in the zone of the former state of emergency. "The ideology behind the actions of federal bodies remains the same—to return people to the places of their permanent residence," said Krasnov.

He said that the draft decree does not envisage the introduction of censorship, tough administrative ban for strikes or other features of the state of emergency.

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The elimination of illegal armed formations "will be regulated by the president's decree on combating the mob," said the president's aide.

The new federal body will be governed by head of the provisional administration in the former state of emergency zone Vladimir Lozovoi.

The Russian president signed on February 4 a decree extending the state of emergency, however, the upper house of parliament on February 7 failed to give the decision its approval.

Galazov Calls For Peace, Consensus in Caucasus

LD1202171195 Moscow ITAR-TASS in English 1426 GMT 12 Feb 95

[By ITAR-TASS correspondent Valeriy Shanayev]

[FBIS Transcribed Text] Vladikavkaz February 12 TASS—"Peace and civic and inter-ethnic consensus should become an unwavering rule of life in the Caucasian region," North Ossetian President Akhsarbek Galazov said as he addressed the republic's leadership on Sunday.

Galazov has just returned from Moscow where he took part in an emergency session of the Federation Council (the upper house of parliament) which discussed President Boris Yeltsin's decree imposing a state of emergency in parts of North Ossetia and Ingushetia.

Galazov stressed that an interim committee suggested in the decree to cope with the consequences of the armed conflict that swept North Ossetia and Ingushetia in the autumn of 1992 will raise the degree of responsibility for the resolution of all problems related to the stabilisation of the situation in the region.

The most important task is to return displaced persons to their homes in four villages of the Prigorodnyy district, create decent living conditions for them, restore infrastructure and launch the process of reconciliation between the Ossetian and Ingush peoples, he said.

The North Ossetian leadership is doing its best to carry out presidential decrees and governmental resolutions and speed up the efforts to rebuild housing and restore infrastructure in the republic, Galazov said.

He noted that the experience of North Ossetia's Prigorodnyy district provides a "model for reconciling two peoples and denies a thesis of the impossibility of cohabitation of Ossetians and Ingushis."

"The republic's leadership is ready to conduct a constructive dialogue with the Ingush side on all issues to achieve peace and accord," Galazov said. "We are preparing a draft agreement on economic and cultural cooperation between North Ossetia and Ingushetia, which will be signed by the heads of two republics."

The North Ossetian leadership believes that the question of the redrawing of borders in the Caucasus should be removed from the agenda because it may lead to a new tragedy, he said.

The president of Russia, the Russian Government and the Federal Assembly should have a joint, clear-cut and well-balanced ethnic programme for the Caucasus aimed at stabilising the situation and untying the "Chechen knot," Galazov said.

"We must consider the Chechen problem as a link in the chain of inter-ethnic problems. It is necessary to disarm illegal armed groups not only in Chechnya, but also in other regions of the Caucasus and the whole of Russia," he said.

Kokov, Galazov Against Revising Structure of Federation

MK1102124095 Moscow SEGODNYA in Russian 11 Feb 95 p 3

[Unattributed reports under the "Provincial Chronicle" rubric]

[FBIS Translated Text] Nalchik—Republic President Valeriy Kokov has spoken against converting the Russian Federation's structure to the territorial-administrative principle. He called for observing the Constitution, which provides for a federative principle structure and the existence of national entities.

Vladikavkaz—Elections for the republic's parliament have been scheduled for 26 March. It is proposed to elect 75 deputies by direct, secret ballot. Elections for heads of local self-government will also be held the same day.

Republic President Akhsarbek Galazov stated that it is impossible today to revise the borders between Federation components. He thinks that otherwise "the Caucasus is going to add fresh seats of conflict since there are 38 territorial claims there."

Gazprom Seeks Expansion to Yamalo-Nenets, Other Regions

MK1102122095 Moscow SEGODNYA in Russian 11 Feb 95 p 3

[Unattributed report: "Gazprom Extends Participation in Oil Projects"]

[FBIS Translated Text] The Russian joint-stock company Gazprom is working out measures to increase its participation in oil projects on Russia's territory. This was announced by a highly placed source in the Russian Federation Government. The company has in particular managed to establish tighter control over the oil companies it founded jointly with the Imperial bank, and to sign an agreement with the Yamalo-Nenets Autonomous Okrug on cooperation in developing the region's oil and gas resources. A Gazprom delegation discussed with the

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Yamalo-Nenets Autonomous Okrug leadership prospects for Gazprom's possible assistance in creating a regional oil company on the okrug's territory.

Nakhodka Experiencing 'Real Boom'

MM1002143495 Moscow IZVESTIYA in Russian 10 Feb 95 p 1

[Unattributed report: "Boom in Free Nakhodka"]

[FBIS Translated Text] Last year the 300 joint enterprises in the "Nakhodka" free economic zone invested over $80 million in it. Russian entrepreneurs invested another 80 billion rubles in the development of the enclave. So said Sergey Dudnik, chairman of the "Nakhodka" Free Economic Zone Administrative Committee, during a conversation with an ITAR-TASS correspondent 9 February. According to him, the city has been experiencing a real boom since the beginning of the year.

Center's Development Plan for Krasnodar Scored

954F1158A Krasnodar KUBANSKIYE NOVOSTI in Russian 12 Jan 95 p 2

[Article by Vyacheslav Martynov: "Nina Zatsepina: 'The Government Must Answer the Question: Ports or Resorts?'"]

[FBIS Translated Text] **Mail to the editors brings quite a few letters asking about the activities of Kuban deputies in the Federal Assembly of Russia. We have already reported about a group of parliament members from Krasnodar Kray who are "battling" the government to save the baby food processing plant in Dinskiy Rayon; how they helped the kray administration resolve the question of construction of an electric power station; and how they defend the rights of our grain growers as they participate in the work on the laws on land.**

Today we introduce our readers to a set of problems that concern State Duma Deputy Nina Andreyevna Zatsepina. These are our concerns and our worries.

FROM A DEPUTY INQUIRY

"To Russian Federation President B.N. Yeltsin and

"Chairman of the Russian Federation Government V.S. Chernomyrdin

"President of Russia B.N. Yeltsin's Edict No. 1513 came out on 3 December 1992, and then the program of revival of the Russian merchant fleet and the construction of new and reconstruction of existing ports was adopted.

"In our opinion, the proposals under consideration on reconstruction, expansion, and construction of new ports on the territory of Krasnodar Kray are in conflict with the task of preserving Russia's only recreation zone on the shores of the Black and Azov Seas.

On 6 July 1994 Edict No. 1470 of the Russian Federation president "On Natural Resources of the Shores of the Black and Azov Seas" was signed, and then on 22 September 1994—Edict No. 1954 of the Russian Federation president "On the Federal Resort Region of Anapa."

"These edicts are aimed at preserving the unique natural environment of the Azov-Black Sea shore, but the current and planned activities of the government in implementing the aforementioned program of the merchant fleet revival jeopardizes implementation of the presidential edicts, is in conflict with nature preservation legislation, and in the final analysis will result in destruction of the Azov-Black Sea shore as a recreation zone.

"I want to emphasize that the region's population does not have objective information on this issue, which is leading to exacerbation of social tension in the region since full implementation of the program will result in a structural restructuring of economic activities and a departure from historically developed forms of economic activities.

"Considering the above, I am asking for answers to concrete questions and a final explanation of the meaning of government policy with respect to the program of the region's development."

We asked ANAPA newspaper commentator Vyacheslav Martynov, who has published many materials on the future of the resort zone, to comment on the substance of the inquiry and the problems raised in it.

The War Continues Its Course, But Most Importantly...

Of course, the tragic events on the territory of Chechnya has distracted the attention of the mass media and the public from many problems. And indeed, one can write off many things on any war. When calls for gazavat (Muslim "holy war") are issued and the blood of Russian boys is spilled, it seems improper to ask the government and the president about other things...

The Chechen card was already played by the Russian authorities as long ago as the spring of 1993. Each Russian was asked to answer the question: Are you for Yeltsin or Khasbulatov? The results of the state survey inspired some people to "presidential preparatory bombardment," armed suppression of the Chechen speaker's "supporters", and adoption of a constitution that guaranteed "circumcision" of the rights and freedoms of many social strata.

A "popular war" is upon us, so why ask the government about expenditure of budget funds (they are being directed into restoration of Russian statehood), the results of the first phase of privatization ("everything for the front—everything for victory").

National problems overshadow regional ones, but State Duma Deputy N. Zatsepina did not forget what concerns her constituents and sent the president and Chairman of

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the Russian Government V.S. Chernomyrdin an inquiry "On Implementation of the Program of Development of River and Marine Transportation in Krasnodar Kray." This document was distributed among members of the Russian parliament.

Solenoye Lake is a Navy Base

N. Zatsepina asks the government chairman to "answer concrete questions and finally explain the meaning of the government policy with respect to the program of the region's development" (meaning the Azov-Black Sea shore in Krasnodar Kray—author).

The deputy inquiry maintains that **"The Russian Ministry of Defense is working on a technical and economic substantiation for placing a navy base in the aquatic area of Solenoye Lake."**

There is no question that the Black Sea Fleet needs to be moved from Sevastopol. After all, we are not going to sink it once again in the city of Russia's glory, as had been done under the tsar and Bolshevik regimes.

I think that the plans for the move have long ceased being a secret for our "partners for peace"—from Georgia and Turkey to the United States. And therefore it probably would be a good idea to inform the local population and warn it about potential consequences. In N. Zatsepina's opinion, "the nature of the wind pattern and sea currents in the area are such that any disruption of the ecological welfare in the Solenoye Lake area threatens the very existence of the Anapa and Taman area resorts."

Sukko and Houston—Sister Cities?

N. Zatsepina's deputy inquiry contains information that "A FOREIGN COMPANY (HOUSTON, THE UNITED STATES) SIGNED A CONTRACT WITH THE INSTITUTE OF OCEANOLOGY OF THE ACADEMY OF SCIENCES FOR EXPLORATION OF A SITE FOR PORT CONSTRUCTION 15 KM FROM ANAPA (SUKKO SETTLEMENT) FOR THE TRANSPORTATION OF TENGIZ OIL IN KEEPING WITH THE AGREEMENT BETWEEN KAZAKHSTAN AND OMAN."

The project is truly unique: "Friends" of Ural Cossacks will be pumping petrodollars across the borders of the Bolshoy Utrish state preserve, the policy with respect to which was approved by the kray administration decree of 2 March 1994. Should we assume that construction of an oil terminal, oil storage tanks, and oil pipelines will do no harm to the age-old flora?

Overfulfilling the Plan

The State Duma deputy inquires of the Russian Government "how to preserve the Azov-Black Sea region in an environment of port construction and expansion." Listed among port construction projects: **"a) construction of a terminal on Cape Panagiya; b) construction of a perishable cargo complex in Novorossiysk; c) increasing the port of Temryuk's capacity to 4.5 million tonnes; d) increasing the capacity of a port in the Caucasus to 40 million tonnes; and e) increasing the capacity of the ports of Tuapse, Yeysk, and Gelendzhik."**

N. Zatsepina asks V. Chernomyrdin what he thinks of the fact that **"the Ministry of Transportation jointly with the kray administration considered the question of the feasibility of building, at the proposal of organizations and joint-stock companies, cargo transfer complexes on the Azov-Black Sea shore ABOVE those envisaged by the program."**

If the aforementioned projects are implemented, the entire Kuban sea shore from Tuapse to Yeysk will become a solid southern Russia port zone. Going through these "sea gates" will be, of course, not just Kazakhstani oil but also possibly radioactive materials from the Semipalatinsk nuclear test site, which the U.S. Government has expressed a desire to purchase from Mr. Nazarbayev.

And what about our government? It is not silent, either, and says that **"the development of ports in Sochi, Anapa, and Gelendzhik will be carried out only for the purpose of providing life support for adjacent resort areas."**

N. Zatsepina characterizes such a statement of the government as "cynicism."

On the Compatibility of Government Plans

The deputy inquiry identifies a serious problem, namely, the existence of two "mutually exclusive programs"—revival of the merchant fleet of Russia and development of the federal resort region of Anapa. By the way, the latter has only been proclaimed, while the former, without unnecessary publicity, is being implemented.

In N. Zatsepina's opinion, the programs cannot be reconciled "if their scope remains as proposed by the government."

From the KUBANSKIYE NOVOSTI Editors:

We believe it necessary to explain to our readers that oil from the Tengiz oil fields (Kazakhstan) has the highest sulfur content of any oil produced on the territory of the former Union. There are no pipes and equipment in the country capable of withstanding the impact of the aggressive sulfur compounds with which this raw material is saturated.

In the past, Kuybyshev (Samara) Oblast, Bashkortostan, and a number of other regions refused to accept Tengiz oil for refining. This despite heavy pressure from the omnipotent Central Committee of the CPSU and the all-Union government. The only person who buckled under the pressure from the "high up" was V. Fateyev, then first secretary of the Chechen-Ingush oblast party committee. His consent to bring the raw material into the republic immediately caused a huge surge in the

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ecological movement, which gradually transformed into the People's Front (leader Kh-A. Bisultanov, which then began to proclaim political, not just ecological, slogans. The People's Front objectively helped prepare the ground for D. Dudayev's ascension to power.

Krasnodar, Moscow City Cooperation Agreement Viewed

954F1155A Krasnodar KUBANSKIYE NOVOSTI in Russian 13 Jan 95 p 1

[Article by Nikolay Ryzhkov: "The Entire Moscow Government Has Set Aside Its Business and Come To Sign An Agreement With Kuban"]

[FBIS Translated Excerpt] [Passage omitted] Moscow-Krasnodar—...And with sadness I came to understand that the upcoming signing of the Agreement on Cooperation With Kuban in the Moscow mayor's office was not just a matter of current interest. Moscow needs foodstuffs.

This thought coincided with the one that resounded in the speeches following the exchange of signatures of the leaders of the two regions on identical texts of the agreement. Moscow Mayor Yuriy Mikhaylovich Luzhkov emphasized that within the entire system of agreements already signed by Moscow with other Federation entities, and with cities of other states of the near and far abroad, this one just signed is of major significance. Both within the framework of the planned economy of the old system and in the post-planned economy system, Krasnodar Kray has supplied Moscow to a fairly great extent with a variety of commodities, primarily agricultural production output and consumer goods.

Today, Yu.M. Luzhkov stated, the state planning system has collapsed. Mutual interaction along the lines of proper coordination on the state level is becoming weaker and weaker. But we have to exist. Therefore, the development of horizontal ties is today not a desire of Federation entity leaders, but rather a critical need to ensure the functioning of the state, which must live, work, and develop through the development of its own territories, and through the development of ties between the entities themselves.

Moscow is interested in receiving from Krasnodar Kray, on a continuing basis and in great volume, fresh and canned fruits and vegetables, and the kind of produce that is laid away in winter storage and constitutes the source of foodstuffs provision to Muscovites. This is also true with respect to grain. Moscow has a fine processing industry—two macaroni plants, four powerful milling plants, a gigantic industry producing bread and flour pastry.

In 1995 Moscow will require 1,800 tonnes of meat per day, which entails certain complications. Every day the city consumes from 5 to 8 million eggs. Foodstuffs output does not lie about—the sales market is colossal.

Yu.M. Luzhkov stressed that matters concerning the provision of foodstuffs to Muscovites are of top priority. Our contacts with the people of Kuban will therefore explore financing. We will pay for everything and resolve a great many issues, including prepayment for production output and reciprocal shipments to Krasnodar of consumer goods and technical production output. Today all of this must be actively placed on the level of the direct relationship between us. No one is hampering us in this. And we do not need to look in the direction of the Russian Government to get involved here. It has quite enough to do with its own problems—let it plow through without our interference.

We must not forget that Moscow has the ability to train students of Kuban—future specialists—on preferential terms. And we are prepared to do this. In addition, we have a fairly solid network of medical treatment and therapy centers which we invite others to use. We understand, after all, that these were built on Moscow and state-wide funding. We therefore have no right to hide inside our shell.

Yevgeniy Mikhaylovich Kharitonov, head of administration of Krasnodar Kray, also highly evaluates the significance of the agreement just concluded for both the people of Kuban and the people of Moscow. The benefit is mutual here because for all goods delivered, the one side or the other will pay without fail or will receive products of equal value in return.

In characterizing the economic and social opportunities available to the kray, Ye.M. Kharitonov emphasized that it is very important for us to see to it that commercial and banking structures of Moscow become interested in the development of production in Kuban, so that the capital's financial assets are deposited in Kuban enterprises and joint enterprises.

What is envisaged in the agreement? The contracting sides have assumed an obligation to assist in steadily building up the capacities of the agro-industrial complex of the kray, to further the intensive development of foodstuffs production and foodstuffs deliveries to Moscow at agreed-upon prices—variable prices taking inflationary processes into account, as well as other factors influencing price formation. They have obligated themselves to cooperate in the sphere of restoring interregional ties, in formulating the planning elements of production and marketing of foodstuffs and agricultural raw materials for Moscow's food and food processing industry, in forming prices for delivered output jointly with the producers, in investing monetary and material assets in agriculture and the processing of agricultural output, and in supporting production processes, including through shipments from Moscow of material-technical resources and industrial products. In this regard, joint efforts of the parties must be directed towards the steady growth of reciprocal shipments, the attainment of maximum economic effectiveness in production, and the impermissibility of unfounded price increases.

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In short, the agreement on close cooperation between Russia's capital and Kuban has been signed and has entered into force. The prospects, of course, are highly promising. We can only hope that business ties will strengthen year by year, that they will improve and develop, and that as a result Muscovites will not find themselves in need of inexpensive food products, and my loved ones in Kuban will improve their economic state and be able to pursue a life worthy of their labor.

Maritime Miners Reaching 'Boiling Point'

954F1279A Vladivostok UTRO ROSSII in Russian 8 Feb 95 p 1

[Article by L. Litvinenko, editor of the SHAKHTER newspaper: "Our Miners Are Sick Of It Also; Today, Maritime Miners Are Conducting a 24-Hour Warning Strike"]

[FBIS Translated Text] Enough! They have reached the boiling point. This is how the current condition of the Maritime miners collectives can be assessed. It is more than they can bear: Just ahead is the last month of winter, and they have not yet received pay for autumn's November. But when you add to this the furious inflation since the beginning of the year, it is difficult to calculate what other kind of knockout will be administered to miners' families.

The federal budget debt to Maritime miners today amounts to R72 billion, the debt of coal consumers—R74.3 billion, and Dalenergo's latest nonpayments are approaching the R65 billion mark. No kind of threats or appeals to them by Primorskugol to settle with it, if not with money then with products, have any effect.

All of this was discussed by trade union leaders of mines and open pits at a meeting held last week with "energetic" Vice Governor M. Savchenko. If the industry is not helped today—tomorrow will be too late. An all-Russian miners' strike is being prepared for 2 March in the country, which our miners intend to support, if the situation does not change for the better.

After this was admitted by P. Kiryasov, acting chairman of the territorial committee of the coal trade union, Mikhail Lvovich explained to him for a long time that this is impossible to do, that it is impossible to leave the whole country without coal. But then why is the "whole country" not concerned about the needs of those on whom it depends entirely?

Indeed, so what if there are strikes when the mines are stopping even without them—there is nothing with which to work. The Severnaya mine is not operating, and next in line is Avangard and Glubokaya.

According to Mikhail Lvovich, the kray administration is doing everything possible to correct the situation: The coalminers are about to receive R15 billion owing to a settlement of Dalenergo's indebtedness. He also assured his interlocutors that enterprises of the coal industry are being exempted from local taxes in the fourth quarter and in 1995. In addition, he informed them that the governor signed a directive according to which, starting February, all enterprises of the kray that are indebted to TEK [fuel-energy complex] are obligated to transfer half their profits to the current account of the Primorskugol and Dalenergo joint-stock companies.

"The kray authorities are helping us, but it is obviously not enough," A. Vasyanovich, general director of Primorskugol, said in reply. "Such an outrage in the payment for coal by power engineers does not exist anywhere else in the country: It is Dalenergo that heads the list of power engineers of Russia indebted to the coalminers. Which, to a very great degree, depends on the kray administration."

A few words about the aforementioned directive of Ye. Nazdratenko about transferring 50 percent of profits from debtor enterprises to the coal miners and power engineers. The first "comments" on this have already appeared in the press, and it seems that it is the only correct decision in the situation that has developed: This, it is said, violates the canons of existing banking practice, inasmuch as commercial banks are actually "imposing a duty to report on their clients who do not implement the directive." Without going into the legal subtleties of this question, I want to say just one thing: In the final analysis, should justice not triumph, and should weighty arguments not be found in favor of strict implementation of this directive? Are we not, accordingly, digging our own graves by closing down our mines, open pits, and electric power stations?

Maritime Kray Energy Crisis Viewed

954F1214A Vladivostok KRASNOYE ZNAMYA in Russian 4 Feb 95 p 2

[Article by Yevgeniy Izyurov: "Emergency Situation. We Have Not Yet Lived in the Darkness, But We Soon Will Unless We Begin To 'Feed' the Maritime Miners"]

[FBIS Translated Text] Reports coming from the Dalenergo joint-stock company are not merely depressing—they could send the ordinary person into shock. Today energy workers can promise only one thing: Planned and unplanned power cut-offs will resume, and possibly for longer periods of time.

The Far Eastern Energy System is keeping its promises to supply the Maritime region by only 40 percent. Supposedly because of accidents at the Zeysk hydroelectric power plant and the Khabarovsk electric power plant. But the reasons lie deeper, and they were discussed during a recent conference call held by the deputy chief of the administration, Mikhail Chechelnitskiy. And perhaps the only thing standing in the way of analyzing them objectively enough is the fact that the days are so busy.

But the essence is that for several weeks Maritime Kray has not sent its coal to Siberia. This is because of the

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nonpayments. And our native Primorskugol with its extremely powerful and extremely promising work faces, with mines that have not yet reached their potential, would like to and can provide coal for all who wish it, and above all for power sources. The lousy attitude toward the development of the kray's coal branch, which destroyed it, has just now been felt.

They said that Siberian coal was cheaper and they placed their bets on it. This was manifested especially during the period of preparations for the cold season, during the summer of 1994, when they assured Moscow that immense subsidies had been allotted for procurement of Siberian coal. Today we have neither Siberian coal nor our native coal.

And as a result at the Maritime hydroelectric power plant—the main supplier of electric power in the kray—on Tuesday there were 130 tonnes [as published] of coal left in the warehouse instead of the 200 that were supposed to be there. The plant burns 40,000 tonnes a day and the daily receipt of it is only 21,000. Figure it out for yourself.

After all, coal is used for heat as well. And while hard coal is no problem in Artem or Partizansk, in the remote provinces there is no coal even for the needs of the population. Here, how can one fail to recall the words of the chairman of the administration of Khankayskiy Rayon (unfortunately, I could not figure out his name) who, apparently restraining himself with all his might, stated literally the following: "You measure your coal in sacks, but I measure mine by the shovelful. We are having to remove the water from the heating systems."

There is a lack of coal almost everywhere, except, of course, the rayons that are close to the coal mining enterprises. This is not simply a fact. It is the result of the short-sighted policy pursued by our authorities with respect to the association and now joint-stock company Primorskugol. Instead of defending local interests, it turns out, they were feeding uncle, who is now flipping them the bird.

I do not want to pin accusations on all members of the kray administration. Figuratively speaking, our coal miners began to "die" as early as 10 years ago. But today Maritime Kray is being fed and nurtured by...Chinese miners, who have actually been delivering coal to us for the past few months. Now that a critical situation has developed in the kray, our great and powerful neighbor takes two weeks off—for the so-called New Year. It lasts until 6 February, so, perhaps, the Maritime people might soon have to go and get a bit of Chinese coal. This might be enough for the population, but for the energy workers—it is a drop in the bucket.

Of course, it will take more than a year or two to renew our reserves and mines. So what kind of prospect is that. Would it not be more honest for the current kray leaders to work on it, on the future? After all, the memory will remain.

At a meeting of the commission on emergency situations the general director of the Primorskugol joint-stock company very correctly noted: "Forget about Chinese coal. The miners of Maritime Kray used to provide all the coal and they will provide it in the future if they can clearly feel the moral and material support." In the stoke holes of the kray there has now developed a situation which makes if possible to take him at his word.

Heat, incidentally, is not just coal. This part of the north suffers also from a chronic shortage of fuel oil. Last Monday at 1600 a state of emergency was declared in Arsenyev. They began to lower the temperature in the heating systems and completely turned off the hot water supply. The city owed 870 tonnes of fuel oil to various outside organizations and there was only enough coal left for four or five days. This, you will note, was on Tuesday, and the situation is probably worse today.

Kavalerovo has generally been living in a state of emergency since 4 January. The temperature in the apartments has dropped to 8 degrees—they are keeping it there so that the systems do not freeze, and the schools are now empty: The administration decided to let the vacation continue. Dalnegorsk is helping the village since it has received fuel oil—three tankers. But they have enough problems of their own, and they still will not give away much since they are just barely holding on as well.

It would have been possible to go through all the hills and dales of the Maritime region, but there is no point in this since, with few exceptions, the cities and villages are freezing, and soon they will be freezing in darkness. Everyone is tired of the current heating season, and especially the promises. And the rude outburst of the representative of the administration of Lesozavodsk which was heard on the kray conference call in general is humanly understandable. Tired of the discussion with Mikhail Chechelnitskiy, he heatedly stated: "You are the leaders of the kray, you have everything, and you will not give us either fuel oil or money."

Incidentally, during the conference call it was stated that the problems would soon be solved. It does not seem that any local administration will believe another promise.

Economic Issues

Suspension of IMF Loan Viewed

MM1302102395 Moscow ROSSIYSKAYA GAZETA in Russian 11 Feb 95 First Edition p 5

[Feature comprising articles by RIA NOVOSTI Observer Vladimir Mytarev and Vladimir Katin of RIA NOVOSTI specially for ROSSIYSKAYA GAZETA under the "Credits" rubric]

[FBIS Translated Text]

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Double Standard, IMF Under Pressure from Russian Democrats Has Delayed Granting of Large Credit

The IMF delegation has broken off until late February the talks with the Russian Government on granting Russia a $6 billion credit.

The unexpected decision by Michel Camdessus, the IMF's executive director, gives rise to many questions since the Russian budget for 1995 and the influence of the "Chechen factor" on it have been painstakingly studied by IMF representatives and amended by them. In all likelihood the IMF, violating its own principles, intends to decide financial questions under the influence of political factors, yielding to that section of public opinion which denounces the military operations in Chechnya.

Incidentally, directly linking the state's expenditure as a whole with the Chechen problems is blatantly juggling with the facts. Panic-stricken statements exaggerating the proportion of Chechen expenditure in the budget have already been repeatedly analyzed both during parliamentary hearings and by representatives of economic structures. There is no need to recall that it is not Chechnya which is the main danger to the present budget. Even foreign experts assess the Chechen expenditure at $1 billion, which in general is not at odds with the government assessment of 4-5 trillion rubles [R] at the present exchange rate.

Nonetheless, if the IMF uses this argument then we can recall that virtually at the same time the world financial community is examining the question of economic aid to Mexico—$50 billion, of which over one third consists of IMF credits. Here the aid is being granted despite economic contraindications (in 1982 Mexico's debts, which it could not pay, were written off). In this case no one is worried by political obstacles—for many years in Chiapas State there has been a real war with the separatists who intend, according to their recent statements, to move the military operations to the entire country and to destroy Mexico's ruling party.

So perhaps in Russia's case they should abandon the double standard and return to the basic principles of the IMF's activity—economic ones? [Mytarev ends]

Will the West Help Us?

Luxembourg—Recently a lot has been said and written about the break in the talks between the Russian Government and the IMF on granting the Russian Federation a $6 billion credit. The delay in deciding to grant this aid is assessed as a torpedo blow to the submerged part of the Russian budget ship, which after such a hole should seemingly be sure to sink in the raging sea of inflation.

Meanwhile it seems to me that yet again what is being desired is being made out to be reality. The West's aid does of course play an important role in the reform of our economy but this aid has never been decisive. The main brunt in reforming the Russian economy has always been borne by the Russian Government.

Western studies show that this aid often goes to pay the services of Western consultants and is often simply squandered. These are the facts cited in this connected recently by the EU Accounts Court [raschetnyy sud], which has revealed serious shortcomings in the implementation of the large-scale TACIS [Technical Assistance for the CIS] program (aid for Russia and the former USSR republics). This special organ for supervising the collective coffers has revealed cases of many millions of dollars either being thoughtlessly thrown to the winds or simply being embezzled by the moneybags.

In EU Commission documentation Russia figures as the main recipient of currency, food, and medical supplies. Varying figures are cited for the size of these subsidies—from 3 billion and more. But in reality only part of it goes to the recipient. The meticulous inspectors from the Accounts Court are bringing to light unseemly instances of forgery, deception, and short measure and short weight.

Flagrant instances of the squandering of funds are cited, for instance of Russia being sent butter and powdered milk by air at a cost of 1,667 deutschemarks per tonne while by train it would have cost 300 marks.

The report notes the unproductive squandering of truly enormous funds on sending countless consultants and experts to Russia to compile thematic memorandums and reports on sectors and problems, although the Russians themselves know the state of their affairs better than any foreigners who come in. All these accounts and reports, checking has shown, are stored somewhere without any need and no one reads them.

In general the result is that the effectiveness of European aid is, to put it mildly, far more modest than people write.

Suspension Seen as Permanent

MM1002153595 Moscow KOMSOMOLSKAYA PRAVDA in Russian 10-13 Feb 95 p 3

[Article by Yelena Ovcharenko: "IMF Will Not Pay for the Front [allusion to war in Chechnya]"]

[FBIS Translated Text] "Will they give us it or not?" That is the question.... This is roughly the maxim being suggested by the talks, that have lasted for some weeks now, between our government structures and the IMF. The $6.25-billion loan is once again "up in the air." The IMF delegation has left Moscow, without putting the "greenbacks" into our outstretched hand. Admittedly, this was followed by the usual assurances that "nothing worrying has happened" and that the consultations had been broken off "temporarily." But there is nothing more permanent than something "temporary." That is well-known. IMF Managing Director Michel Camdessus finally defined the position of the "Fund men": "The results of the talks were positive. Russia gave a number of serious replies to questions about its economic policy. But there were not enough to obtain the loan from the Fund." It is all clear. Nobody wants to fund the hoisting

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of the victorious "tricolor" flying over Groznyy. We should have grasped this long ago.

Nor is "friend Bill" being generous with his help. "Friend Boris" is probably disappointed with his pal's "restraint." The draft federal budget sent to Congress virtually freezes aid to Russia and the other CIS countries—at a total of less than $800 million. Who will get that help? The "victorious" commander in chief? Clearly, the White House is giving some very serious consideration to this....

Bonn is considering matters too. Our well-known professional human-rights champion Sergey Adamovich Kovalev is being met with embraces and rapturous applause throughout Europe. People listen with great interest to his tales of horrors in Chechnya and the flouting of human rights, and they express sympathy in connection with the insults from the abrupt Pavel Sergeyevich [Grachev]. But in Bonn Chancellor Kohl "did not [original reads "nashel vremeni" with negative "ne" clearly dropped] find time"—it was officially announced—to meet with the "professional." Is "friendship between statesmen" more valuable?

But there has been some optimism too. NATO's point man—Secretary General Willi Claes—nonetheless admitted that "Russia should not be written off as a country where reform is impossible." Thanks, secretary general! The problem is that soon there will not be much left to reform.... Thanks, Mr. President!

Deputy Minister on Budget Funding, Inflation

MM1302123395 Moscow MOSKOVSKAYA PRAVDA in Russian 1 Feb 95 p 2

[Interview with Andrey Kazmin, Russian Federation deputy minister of finance, by Tatyana Pomelova; place and date not given: "'We Are Not Losing Control of Inflation'—Russian Federation Deputy Finance Minister A. Kazmin Claims"]

[FBIS Translated Text] A couple of months back A. Chubays, newly installed in his new high post, noted at a meeting with journalists: The budget is like taxes: Whatever you do, you won't suit everybody." It is appropriate to recall this thought, as aphoristic as it is justified, at this time, when the Duma is giving the updated draft budget its second reading.

As is known, according to the government's intention and the socioeconomic development program for 1995-96, this is supposed to be the decisive year from the viewpoint of stabilizing the financial system. The main task is intended to be the rational utilization of budget funds and tight control over their targeted expenditure and the level of the budget deficit, which is the main cause of inflation. It is planned that priority will be given to noninflationary sources for replenishing the treasury: the large-scale sale of state securities and external loans. As a result it is proposed to drive inflation down to a level of no more than 1-2 percent a month by the end of 1995.

Let us remind you that these financial recovery plans were presented two months back and initially did not meet with universal approval. The situation in the country has now deteriorated and therefore the number of questions concerning the budget has mounted. Here are just a few. Can we be confident that the sale of state securities will make it possible to cover the enormous budget deficit? Will there not be an increase in "Chechnya" expenditure: After all, not all experts share Finance Minister V. Panskov's recent assurances that all that will be required is some amendment of individual budget items. Furthermore, will we get all the foreign credits we have been promised following the West's negative reaction to the military action in Chechnya? We asked Deputy Finance Minister Andrey Kazmin to comment on the Russian Federation Finance Ministry's position.

[Pomelova] Andrey Ilich, attracting the population's disposable funds is being cited as one of the most important noninflationary sources for supplementing the budget. How at this time can people be persuaded to buy state securities when the state has still not paid its past debts in full and many people have in practice lost their previous Sberbank [Savings Bank] savings and been duped by financial swindlers from pseudo-companies? Is there any reason at all to hope that the population will show interest in them? And what percentage rate of return should be set for state securities so people want to buy them: After all, state securities need to outperform all other securities, bank deposits, or even the dollar.

[Kazmin] I am not inclined to make an advertising pitch for state securities. Admittedly nonstate issuers of securities only engage in self-advertisment, gambling on citizens' gullibility and incompetence. But the task facing the Finance Ministry and the Central Bank, although simple in words, is complex in terms of content: First and foremost it is necessary to restore trust in state securities since it was repeatedly undermined during Soviet times. There is probably no need to to remind you how this happened. We are continued to pick up "Soviet tabs" to this day. I am primarily talking about the very heavy "Pavlov" commodity debts to the population, which as of today total more than 3 trillion rubles [R] in money terms.

While paying off old debts we simultaneously have to resolve the task of funding the budget in a noninflationary way. And this necessitates floating new loans which are both profitable and attractive for corporate investors and likewise for ordinary citizens.

In January 1993, when we started floating state treasury bonds, a multitude of skeptics appeared, predicting the most lamentable results from this operation. More than a year has now passed, and the system is operating and developing. And at such a rapid rate that in 1994 we increased the volume of sales and income 50 times over compared with 1993! Securities worth around R12 trillion are currently in circulation on the state treasury

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bond market. As a comparison, this figure totals approximately 20 percent of the total share value of all privatized enterprises. Not too bad, in my view.

Incidentally, as is known, state securities do not physically exist—they are sold in the form of transaction records [zapisi po schetam], which guarantees absolute protection against forgery and abuse. But this still does not mean there are no problems in the selling system. One of them is regional isolation: At present Moscow is the only trading site, and it will take time to organize "an electronic trading floor" in other cities. In 1995 another six major Russian financial centers—from Petersburg to Vladivostok—will be plugged into the state security trading system. This will make the market even more effective.

Returning to your question, let us identify how all this might interest the ordinary person. Last year the average return on securities was around 150 percent per year. This year the return could rise to 320 percent. I can stress this with 100-percent certainty. But allowing for the fact that provision has also been made for tax concessions on these securities, the actual return is even higher. There are three- and six-month securities in existence, and since the end of 1994 we have started issuing year-term ones as well. There are issues every week, since there are the most diverse state securities (around 12 types in total) united by the single title of state treasury bonds in circulation on the market.

[Pomelova] Can a citizen acquire state treasury bonds freely today?

[Kazmin] Unfortunately, small investors are virtually cut off from the sales system. It is extremely difficult for an ordinary citizen to acquire state treasury bonds via the authorized banks, since by no means all of them find it in their interests to work with small investors. We must ensure that the population obtains access to state treasury bonds, which are a safe alternative to that highly publicized printed matter which is passed off as shares without really having anything in common with them. Anyone who invests money in financial "pyramids" can expect at best only a one-time payment, a windfall, but not a steady income.

At the same time we do not want to flood the market with state securities, because at first, as I have mentioned, we must restore confidence in them. And to that end the old debts must be settled.

[Pomelova] Andrey Ilich, you mentioned a predicted return on state treasury bonds on a scale of 320 percent annually. That is a very good rate. Will the state be able to meet the payments on time? Will it not build yet another "pyramid"—this time a state pyramid?

[Kazmin] Some 30 auctions have already been held as of today, and all those securities have been redeemed and all the interest paid.

[Pomelova] Could this level of income on state treasury bonds—which is a good rate, attractive to citizens—not provoke an excessive rise in inflation?

[Kazmin] Let us take a scenario in which the state is too fond of issuing securities without considering how it intends to redeem them. Then, by increasing the interest on these securities, it increases the expenditure side of the budget and correspondingly exacerbates the inflation situation in the country. But under the system stipulated in the 1995 budget, whereby there is at the same time a sharp reduction in the emission of worthless money—with nothing whatever behind it—by the Central Bank (and from the second half of the year the Finance Ministry is supposed to abandon centralized credits entirely), state securities become a key instrument for attracting funds from the population. And those funds are, at the moment, vast. Although many people are poor, pensions are small, and wages are low, there is still money that has been accumulated in the country. So this money must be first collected, and then efficiently utilized.

[Pomelova] Andrey Ilich, you stressed that the Russian market should not be pumped full of state securities. But the budget deficit is so vast that it will be necessary to sell an enormous quantity of these securities to cover it. The sum required in payments on them will be so substantial that the state will hardly be able to cope with such an outlay. Will state treasury bonds justify the hopes pinned on them, in that event?

[Kazmin] Your question is justified. Here the main thing that must be said is: As long as there are in existence (albeit on a far smaller scale than formerly) free, gratis credits to the government, there is no need to bother to save state resources. But if securities that are fairly costly to the state are issued, then on the one hand we are developing the capital market infrastructure, and on the other hand we are "sucking up" the population's surplus money and channeling it into the development of the economy. And finally, reality itself will make the government, the Finance Ministry, and all the other departments take a far tougher line on saving state resources. Then a simple soldier's sheepskin jerkin would not cost as much, according to Defense Ministry estimates, as a good-quality sheepskin coat.

[Pomelova] Now for the second noninflationary source of supplementing the budget—borrowing from abroad. Are we not losing this money because of the West's negative reaction to Russia's policy in Chechnya?

[Kazmin] The talks that have been and are being conducted with the IMF and other international organizations have been well prepared for, and we have a chance of receiving the first credit as early as the end of the first quarter. Nonetheless the political tension caused by the Chechen crisis is affecting the Western creditors' positions. Taking the worst-case scenario, the projections for borrowing from abroad that were incorporated in the budget may not be covered by real credits. And then we will have to "squeeze" all the expenditure items.

[Pomelova] Does "squeeze" mean stepping up the tax pressure?

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[Kazmin] On the contrary. The Finance Ministry has studied the problem of how best to reform the tax system this year—so that the pressure on the commodity producer, for instance, is lessened. Because if taxes are too high people simply stop paying them.

[Pomelova] Will it be possible to reduce inflation to the planned level by the end of the year, or will this indicator also be adjusted as the expenditure items of the budget are adjusted?

[Kazmin] The so-called figure element of monetary programs is corrected for each quarter. We and the Central Bank are engaged in this task right now, and the calculations made thus far indicate that there is no reason to lose control over inflation. In mid-1995 a healthier economic situation should emerge in the country, since the money supply will be growing far more slowly than in the fourth quarter of last year. The upward gallop in prices, which was particularly marked in December-January, will end in April-May. Inflation will fall, and ruble deposits in banks will become advantageous again. The influx of money into the commercial banks will increase, and therefore they will be able to invest that money. And we will have a real chance of emerging from the economic recession.

Appointment of New State Property Chief Analyzed

MK1002125095 Moscow KOMMERSANT-DAILY in Russian 10 Feb 95 p 2

[Commentary by Leonid Brodskiy: "New Head of Goskomimushchestvo. The New is the Still Unforgotten Old"]

[FBIS Translated Text] If there was anyone at all in Russia who in fall 1994 assumed that Sergey Belyayev, then just appointed general director of the Federal Administration for the Affairs of Insolvency (Bankruptcy) under the federal State Committee for the Administration of State Property [Goskomimushchestvo], would succeed Anatoliy Chubays himself 18 months later, it must have been only Chubays himself. Despite the fact that Belyayev was more frequently than others mentioned last November in White House offices as the most probable candidate for Goskomimushchestvo chairman, his appointment 8 February took many by surprise. Today, KOMMERSANT-DAILY comments on the president's decision.

The official view, also held in Goskomimushchestvo, is that last November, after Anatoliy Chubays, who was Goskomimushchestvo chairman since its foundation, became vice premier, the active interference by influential persons around the president alone prevented Sergey Belyayev, the indisputable hot favorite at that time, from becoming Chubays' successor. The man appointed instead of Belyayev was Vladimir Polevanov. For just 70 days.

One can go along with this view with one reservation: During the entire 70 days, Sergey Belyayev remained "locked and loaded," calmly awaiting his hour after Polevanov played the role of rebellious apparatchik, assigned to him by the supreme script writer. According to those who witnessed it, on the day Polevanov was removed, Belyayev was nearly the first to bring the good news. In doing this he looked so much the part that few people had any doubts about precisely who was destined to fill the seat of Goskomimushchestvo chairman. The consequent appointment of Petr Mostovoy as acting chairman somewhat improved the latter's chances—Mostovoy always tied (with various contenders) for second or third place in the list of candidates.

From a purely apparatus point of view, Belyayev's appointment served to confirm well known regularities: first, the "acting" attests to the unsteady apparatus position of its bearer; second, a case in which one who temporarily fulfills the duties becomes the one who is really in charge, is a rare exception. No exception was made in the given case.

From the economic policy point of view, Belyayev's appointment is so logical that it calls for no special comment. Belonging in the well-known "Leningrad group" among the Goskomimushchestvo leadership, he was regarded as one of Chubays' trusted men, consistently following in the latter's wake. As general director of the Federal Administration for the Affairs of Insolvency (Bankruptcy), he became known as a rather straightforward and at times tough leader whose self-assurance and high career hopes were accentuated by a developed sense of humor and political flair. In this regard, he fits well into the pattern of relations between the government and the Kremlin ("arrow—magnetic pole") practiced in recent months.

There is yet another aspect to this appointment. Petr Mostovoy's pronounced resentment of Yuriy Luzhkov and the Moscow government has, to all appearances, lost out to Sergey Belyayev's more pragmatic stance on relationships with this "first among equals" Russian region. While it is too early to make predictions as to Luzhkov's future, the appearance of the president's edict "On the Second Stage of Privatization in Moscow" and Belyayev's becoming Goskomimushchestvo tsar may signal that the mayor's Kremlin positions are not as weak as they have been held to be of late.

Who is to succeed Belyayev? His duties for the time being will be fulfilled by his first deputy, Georgiy Tal. It is for this reason that the latter cannot be regarded as the most probable candidate. The candidates named are Belyayev's deputy Petr Karpov (developer of a concept about Russian directors' being 100 percent to blame for the nonpayment crisis) and.... Petr Mostovoy, clearly preferred by Anatoliy Chubays. If Mostovoy gets the appointment, one can confidently predict a new growth of tension along the "White House—13 Tverskaya Street" axis. The men in City Hall still remember Petr Mostovoy's words flung at it: "The 'bankruptcy' of ZiL [Likhachev Truck Plant] is evidence of the Moscow

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government economic policy's bankruptcy." Plans for making the Federal Administration for the Affairs of Insolvency (Bankruptcy) a separate agency with a ministry status, once Mostovoy is appointed, may be in this connection regarded in City Hall as evidence of a constant threat to it emanating from the very fact that both Mostovoy and Belyayev have the same patron—Anatoliy Chubays.

Acting Central Bank Chairman on Ruble Drop

LD1002173895 Moscow ITAR-TASS in English 1701 GMT 10 Feb 95

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] Moscow February 10 TASS—Indices of the currency situation in December 1994-January 1995 do not testify to excessive lowering of the ruble exchange rate, acting chairman of the Russian Central Bank Tatyana Paramonova told a plenary meeting of the State Duma here today.

In her words, the ruble exchange rate decreased more slowly as compared to the inflation in the past several months. The Central Bank is doing its best to support the national currency. The domestic currency market is being developed, sharp short-term deviations in the exchange rate are being smoothed and currency reserves of the Central Bank are being accumulated.

First Deputy Russian Minister of Finance Andrey Vavilov informed the deputies of the executive power's measures to prevent negative consequences of the ruble drop in November 1994.

Moscow To Complete Oil-for-Sugar Deal With Cuba

LD1002213395 Moscow INTERFAX in English 2001 GMT 10 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 10 (Interfax)—The Russian Ministry of Foreign Economic Relations on Thursday ordered the MES joint-stock company, which is shipping oil to Cuba, and the Menatep-Impex trade and investment company, which is importing Cuban sugar to Russia, to complete shipments under an agreement signed between the Russian and Cuban governments in 1994.

The deal involves shipments of 2.5 million tonnes of Russian oil in return for 1 million tonnes of cane sugar from Cuba, but, for various reasons, Russia has supplied only 1.8 million tonnes of oil to Cuba and received 660,000 tonnes of cane sugar.

Russia will be able to feed some of the idle capacity at its sugar refineries if it sees the contract through. Russia harvested only 13 tonnes of sugar beet in 1994 compared with 25 million tonnes in 1993 and 28 million tonnes in 1990. Russia has refined only 1.7 million tonnes of sugar using its own resources, while the country's minimal requirement is 5 million tonnes. Russia traditionally refines up to 2 million tonnes of cane sugar between seasons, but has been buying far less from Cuba of late.

The prospect of further cane sugar shipments from Cuba in 1995, without which Russia will inevitably be hit by a sugar shortage and its sugar industry will face collapse due to prolonged disruption, is, for the present, still in the balance.

Economics Minister Calls For Change of State Food Policy

LD1002213895 Moscow INTERFAX in English 2001 GMT 10 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 10 (Interfax)—Russian Economy Minister Yevgeniy Yasin told parliament Friday [10 February] that the government had to change its good policy, in particular increase customs duties and ban exports of certain farm goods.

He admitted that the import of foodstuffs which are cheaper than those made at home did not yield the desired result and now it is time to take steps to create a favorable environment for Russian producers, in particular by increasing the customs duties.

His ministry wants the export of wheat banned. The wheat shortage will be at least 3.5 to four million tonnes in 1995, Yasin predicted. He shared the fears of the agriculture managers that food might be in short supply in 1995. In particular, the grain harvest was as low as 83.1 million tonnes in 1994 compared to 99 million tonnes in 1993. Yasin emphasized that the country has an overall good supply of these goods but the resources are unequally distributed between different areas and certain regions are likely to experience wheat shortages as early as in March. By official statistics, the wheat harvest in Russia was 32 million tonnes in 1994, one quarter below what the country had in 1993.

Yasin also said that the stores of meat were 101,000 tonnes as of January 1, compared to 316,000 tonnes a year before. He added that the shortage of butter was especially alarming. The stores were as low as 12,000 tonnes, compared to 88,000 tonnes a year before. While Russia needs 1.7 million tonnes of vegetable oil, it produced as little as 800,000 tonnes. What is more, if the producers sell 2.5 million tonnes of oil yielding seeds as planned, the production will fall to 130,000 to 150,000 tonnes and the shortage will be still more acute.

Yasin called for levying a customs duty of 30 ECU per tonne of seeds.

Agriculture Ministry: Food Fund Grain Purchase 'Wrecked'

LD0902215495 Moscow INTERFAX in English 1922 GMT 9 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 9 (Interfax)—Russia has in fact wrecked the purchase of grain to the Federal Food Fund in 1994, having bought only 2.26

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million tonnes of grain by the start of February 1995 instead of the quantity 11.8 million tonnes set by the government, Head of the Main Plant-Growing Department of the Russian Agriculture Ministry Ivan Gridasov told Interfax today.

He emphasized the importance of the purchase, stressing that the Federal Food Fund was responsibly for supplying the army, the Interior Ministry forces, the northernmost regions and regions equal to them.

The Federal Food Fund plans to purchase 9.3 million tonnes of grain from the crops in 1995, including 700,000 tonnes of grade and hybrid seeds of greens and leguminous plants. However, Gridasov said he doubted that such an amount would be purchased as the state was paying unacceptably low prices to agricultural producers, and not on time.

Food Imports Oust Home-Produced, Especially in Moscow

MM0902130595 Moscow KOMSOMOLSKAYA PRAVDA in Russian 8 Feb 95 p 1

[Report by Yelena Arakelyan: "Our Passion for Chicken Drumsticks Will Cost Us All Our Hard Currency"]

[FBIS Translated Text] The food counters in Russian stores are becoming more varied. Among the numerous yoghurts, carbonated drinks, cheeses, including blue cheeses, it is, however, becoming difficult to find one thing—home-produced food.

In the majority of stores in the capital 70 to 80 percent or even 90 percent (in the city center) of stocks is accounted for by imports. The remaining "home-produced" percentage is accounted for by bread, dairy products (milk, true, is made from imported powder), meat and meat products, frozen fish (it, by the way, is not always available in the stores—you see imported fillet more often), and choice delicacies such as red caviar (which is produced only in Russia). Virtually all these foodstuffs are, as a rule, cheaper than the imported ones, and consequently compete pretty successfully with them.

But it is an almost hopeless task to find, for example, a home-grown apple in Moscow stores. While our fruit has merrily gone up in price, imported fruit has—once inflation is taken into account—become cheaper. It reached a point whereby you could have bought a kilo of bananas last summer almost as cheaply as a kilo of gherkins. As a result bananas, pineapples, and other exotic fruits virtually ousted traditional fruit and vegetables from the stores.

Roughly the same thing happened with foreign [pereletnyye—literally "migratory"] drumsticks. So many people turned up wanting to feed Russians with these drumsticks that contract prices for chicken drumsticks fell by 10 percent compared with 1993. Our poultry plants have, alas, been seriously squeezed.

A somewhat different picture obtains in the provinces. Imported food prices increase—and steeply—the farther you move away from the capital and the borders (transport in Russian conditions demands quite a lot of outlay), while there are not so many well-off citizens prepared to buy everything in the provinces.

Therefore, the Northwest Region (including St. Petersburg), the Central Region (including Moscow and surrounding cities), and the Far East are the main consumers of imports. Over the rest of Russian territory meat, milk, cheese, vegetables, and other staple foods are mainly home-produced. For the time being, insofar as import companies are still involved in the process of taking over as-yet-unconquered territory. And they are being pretty successful. Spanish tomatoes and Italian apples, for example, have been discovered even in Nizhniy Novgorod.

The new customs duties on imports, which were intended to save home producers from foreign competitors have not helped. Food prices have risen as a result, while the slump in home agricultural output has merely intensified. That is unsurprising. Virtually every farming sector is unprofitable in today's conditions—production costs are too high. What kind of competition is it here....

Last year—for Russia as a whole—the amount of imported meat increased by a factor of 4.5, of imported poultry by a factor of 5.6, and imported butter by 2.4. Purchases of tea, chocolate, confectionery, dried milk, and various drinks also increased.

For consumers this is not in general a bad thing. They don't mind what chicken they eat—home-produced or American. The cheaper it is, the tastier it is.

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International Affairs

Delegation Visits Germany To Study Military Institutions

LD1102221495 Kiev UNIAN in Ukrainian 1720 GMT 11 Feb 95

[FBIS Translated Text] Kiev [no date as received]—A Ukrainian Supreme Council delegation will leave for Germany on 12 February at the invitation of the Konrad Adenauer Foundation. The aim of the visit, which is to end on 19 February, is to study the experience of separate military departments, in particular, the institutions for training military personnel, organizing and exercising civil control over the activities of military departments, etc.

The delegation comprises members of the parliamentary Commission for Defense and Sate Security—Volodymyr Mukhin, Oleksandr Chubakhin, Mykola Zavarzin, Hryhoriy Sydorenko, Oleksandr Skypalskyy, and Ivan Bozhko, the commission's chief consultant.

Tarasyuk Leads Delegation on Visit to Romania

LD1102212495 Kiev UNIAR in Ukrainian 1950 GMT 11 Feb 95

[FBIS Translated Text] Kiev, 11 Feb—A Ukrainian delegation, led by Borys Tarasyuk, first deputy minister of foreign affairs, has left for Romania. Ukraine and Romania have common foreign political and economic interests conditioned by vast possibilities for all-round economic cooperation, in particular, regional cooperation within the framework of the Black Sea economic cooperation, and common borders.

Twenty-three bilateral agreements are signed between Ukraine and Romania. Work is currently under way on drafting an interstate treaty on friendship and cooperation.

The Ukrainian delegation will have meetings at the Romanian president's administration, in parliament and at the Foreign Ministry. A broad range of issues of the further development of Ukrainian-Romanian relations will be discussed.

This has been reported by the press center of the Ministry of Foreign Affairs of Ukraine.

Udovenko on CIS Approval of Memorandum on Peace

LD1002145995 Moscow INTERFAX in English 1303 GMT 10 Feb 95

[FBIS Transcribed Text] ALMATY, Feb 10 (Interfax-Ukraine)—CIS foreign ministers on Thursday [9 February] approved a memorandum on stability and peace in the Commonwealth of Independent States, to be signed by Commonwealth presidents Friday.

"The memorandum will not be binding on the states that have signed it," said Ukrainian Foreign Minister Hennadiy Udovenko. It simply calls on its future signatories "to adhere to certain principles in their mutual relations."

Udovenko, talking to reporters in Almaty after the ministers' meeting, put special emphasis on the principle of the immutability of the existing borders and respect for CIS states' sovereignty. "It doesn't hurt to be reminded once again that there are principles to be observed," the minister said.

He said the document had originally been conceived as a pact, but in that case it would be binding on those who signed it, which would contradict Ukraine's interests.

The foreign ministers dealt with the Chechnya issue "to some extent" in discussing "aggressive separatism."

Going over to a draft Ukrainian-Russian Treaty on Friendship and Cooperation initialed in Kiev on February 8, Udovenko said the two republics had made mutual compromises in working on it.

As for Russian President Boris Yeltsin's planned visit to Ukraine, Kiev hopes it will take place "in the first quarter, most likely in March this year," Udovenko said.

He said the two countries' relations were still aggravated by Ukraine's debt to Russia and the Black Sea Fleet dispute. "Before we divide the fleet, the matter will continue to affect our relations," the minister said. He added that the Ukrainian and Russian presidents were preparing a joint declaration to lay down principles for the resolution of the issue.

Legislative Commission Meets U.S. Anticrime Team

WS1302111695 Kiev UT-1 Television Network in Ukrainian 1900 GMT 7 Feb 95

[Video report by L. Ilchenko and M. Kurylovskyy; from the Channel One "UTN" program]

[FBIS Translated Text] The U.S. delegation currently visiting Ukraine today met with members of the Supreme Council Commission for Combating Organized Crime and Corruption.

At the beginning of this report, I would like to point out that the U.S. delegation comprises the heads of various departments of the FBI, with which the Supreme Council Legislative Commission signed a joint communique in 1994 on cooperation in the fight against crime. Making use of acquired experience and on the basis of that document, the two sides have conducted painstaking work over the past year. Supreme Council Deputy Chairman Oleh Dyomin opened the meeting. Discussed were the peculiarities of Ukraine's national legislation regulating the social problems of fighting organized crime and corruption. Participants in the meeting discussed legislative support for the activities of special-task agencies of both the United States and Ukraine on

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the part of the national legislatures, the peculiarities of the functioning of the commissions and committees in charge of the problems which are important to both states. The two sides discussed the activities of legislative investigation commissions and the legal bases for their functioning. The meeting was attended by Supreme Council Commission Chairman Hryhoriy Omelchenko and people's deputies of Ukraine.

Four Foreign Firms To Bid for Factory Project

LD1202172995 Moscow INTERFAX in English 1403 GMT 12 Feb 95

[FBIS Transcribed Text] KIEV, Feb 12 (Interfax-Ukraine)—The Ukrainian State Committee for Use of Nuclear Energy intends to invite soon four foreign firms to take part in an tender for designing a factory for the production of nuclear fuel.

First Deputy Chairman of the State Nuclear Energy Committee (Goskomatom) Nur Nigmatullin told Interfax-Ukraine that involved will be United States, French, German and Russian firms.

The future factory will produce nuclear fuel for nuclear power stations. It is planned that the enriched Uranium for the fuel production will be supplied from Russia or France.

The own production of fuel will help Ukraine economize around 30% of hard currency funds, which are used now for its purchases abroad, said Nigmatullin.

Goskomatom Chairman Mikhail Umanets told Interfax-Ukraine earlier that given "adequate financing and organization", it will be possible to develop in Ukraine in 5-6 years the assembly of heat-emitting elements. To fulfil this stage, around $200-300 million will be needed.

However, to create the full production cycle, 10-12 years will be needed, as well as investments amounting at least $1.5 billion.

Umanets believes that the production could be developed at the Eastern Combine (town of Zheltiye Vody) or at the Pridneprovskyy Chemical Factory (Dneprodzerzhinsk).

Chernobyl Official on G-7 Decision To Shut Down Plant

LD1202174695 Moscow ITAR-TASS in English 1458 GMT 12 Feb 95

[FBIS Transcribed Text] Moscow February 12 TASS—The West solves the problems facing its nuclear power engineering at the expense of other countries, Chernobyl nuclear power plant director Sergey Parshin said.

Commenting on the G-7 decision to shut down the Chernobyl nuclear power station, Parshin said in an interview with the Mayak radio station on Sunday that "no one in Russia or Ukraine believes any more that the West could do something for free. The Chernobyl nuclear power plant is an eyesore for the West which wants to show the agitated public that it can handle problems."

"The problem is that the West plans to replace in the near future outdated nuclear reactors whose service life has ended. They need to be replaced. But with what? Developed countries want new nuclear reactors. But the public should be persuaded of their safety, and they are doing it at the expense of others—we shut down the Chernobyl nuclear power plant and there will be no problems any more," he said.

By so doing, G-7 countries ignore the point of view of the other side, Parshin continued. Ukraine needs electric power badly now. It is taking active steps to establish its own nuclear engineering management structure. The Chernobyl nuclear power plant, which works steadily and safely, producing energy the republic needs, occupies a certain place in this structure. However, the G-7 unprecedented decision disrupts this process, he said.

Navy Chief: Both Fleets Can Be Based in Sevastopol

LD1102150595 Kiev UNIAN in Ukrainian 1200 GMT 11 Feb 95

[FBIS Translated Text] Sevastopol [No date as received]—"The assertion that it is impossible for the Russian and Ukrainian fleets to be both based in Sevastopol is absurd and is in conflict with the idea of a treaty on friendship and cooperation between Ukraine and Russia," Ukrainian navy commander Rear-Admiral Volodymyr Bezkorovaynyy told a news conference yesterday on the outcome of the Russian-Ukrainian negotiations in Kiev.

He said that, as before, the Ukrainian side insisted that the presence of the Russian part of the Black Sea Fleet on the territory of Ukraine should not be in breach of Ukrainian legislation and international law. The numerical strength of land and air forces will be determined on the basis of Ukraine's existing international obligations as regards conventional arms, with the Russian share of the air force to be withdrawn from the territory of our state.

Volodymyr Bezkorovaynyy added that the Russian Federation navy command offered to transfer to Ukraine all Black Sea Fleet installations in the western part of the Ukrainian coast, while it is proposed that 71 infrastructure facilities should be made available to meet the requirement of the Russian part of the Black Sea Fleet that remains in Crimea, he said.

Volodymyr Bezkorovaynyy said he expects talks on the Black Sea Fleet to continue after the Ukrainian and Russian president meet.

General: Naval Aviation Depends on Black Sea Fleet Solution

LD1102233895 Kiev UT-1 Television Network in Ukrainian 1700 GMT 11 Feb 95

[FBIS Translated Text] And now we shall dwell on the problems facing our state's naval aviators. The thing is

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that Ukraine's Naval Forces, which are in the making, cannot exist without modern aviation, which is their fundamental component. However, the making of our state's naval aviation is taking place in difficult conditions and is connected with many problems. To attract the public's attention to these problems, Major General Mykola Volovin, commander of Ukraine's Naval Forces Aviation, held a news conference. Our Crimean correspondent made the following notes:

[Unidentified correspondent] Although Ukraine's Naval Forces aviation is still very young, it is already capable of fulfilling, although not in full volume as yet, its tasks connected with the protection of our state's southern borders, the commander emphasized. The naval aviation now consists of five air force units and up to 20 support units based in the garrisons of the towns of Saki, Ochakov, and Nikolayev.

Antisubmarine, fighter, and ground attack aviation units have already been built up. Meanwhile reconnaissance aviation units have not yet been brought up to prescribed strength. Our naval air force still does not have military transport and special aviation.

True, the fate of Ukraine's naval aviation now depends on a political solution to the Black Sea Fleet problems. And it is this year that must finalize the procrastinated search for a common solution by the Ukrainian and Russian sides. It is necessary to decide clearly where the fleets and, therefore, the naval air forces of the two neighboring independent states will be based and what they will look like. The most important thing here is to avoid unilateral actions until a political decision is taken at the summit level. Despite the fact that there exists an agreement to this effect at the presidents' level, it is the Black Sea Fleet that gives quite a few examples of such actions. This gave grounds to Major General Volovin to maintain that all the current activities of the Black Sea Fleet and its air force is a unilateral reduction of the aviation units.

Black Sea Shipyard Launches New Tanker for Greece

LD1202042095 Moscow Mayak Radio Network in Russian 0330 GMT 12 Feb 95

[FBIS Translated Text] A tanker built to order for a Greek firm was launched at the Black Sea Shipyard and Engineering Works in Nikolayev. Ukrainian parliament Chairman Oleksandr Moroz took part in the vessel's launching ceremony.

In an interview to our correspondent he noted that Nikolayev's three giant shipyards were coming out of a difficult period and were going over to building tankers, dry cargo vessels, trawlers, and other type of vessels thanks to orders from Greece, Norway, and other countries.

The Black Sea Shipyard alone will build up to 10 tankers for Greece.

National Affairs

Moscow Delivers Fuel to Rovno Nuclear Power Plant

LD1002142095 Kiev UNIAN in Ukrainian 1240 GMT 10 Feb 95

[FBIS Translated Text] Kiev—A consignment of nuclear fuel from Russia has been delivered to the Rovno nuclear power plant, UNIAN was informed by Ukraine's Derzhkomatom [state committee for the use of nuclear power] on 10 February. It will be used in the plant's generating set No. 1 scheduled to halt on 18 February for a long period of repairs and refueling.

Mykhaylo Umanets, in charge of Derzhkomatom, says all Ukrainian nuclear power plants have put up the money to pay for the fuel. The South Ukrainian nuclear power plant's generating set No. 1 is also to halt on 1 April for a major overhaul and refueling. However, the money to buy nuclear fuel is in short supply.

Derzhkomatom also announced that Ukraine could set up the production of nuclear fuel of its own to international standards in five to seven years. This program requires $1.2 billion. Ukraine, however, has not received the foreign government and private investments in the construction of nuclear fuel production facilities, that were to have totalled $120 million last year.

The annual amount of money necessary to purchase Russian nuclear fuel, of inferior quality against similar international products, is $300 million. The nuclear fuel in exchange for nuclear warheads is being supplied by Russia on schedule, although it is not enough to meet the requirement of Ukrainian nuclear power plants.

Parliament Passes Bill on Nuclear Waste

LD1002181995 Kiev UNIAN in Ukrainian 1635 GMT 10 Feb 95

[FBIS Translated Text] Kiev—The Supreme Council of Ukraine today passed the law of Ukraine "On Handling Radioactive Waste" in its first reading.

Commenting in an interview with UNIAN on the Supreme Council's decision, Volodymyr Kholosha, Ukraine's acting minister for the protection of the population against the aftermath of the Chernobyl NPS accident, said the law establishes the utterly required legal basis for registering radiation sources, collecting, transporting, processing, and burying radioactive waste (RAW). It is due to the absence of such a law that instances of careless handling of radiation sources still occur.

According to Volodymyr Kholosha, the law also envisages that a separate state body will be charged with burying RAW at the expense of the enterprises that produce radioactive waste as a result of their activity.

Parliament Debates Presidium Dismissal

954F1291A Simferopol KRYMSKIYE IZVESTIYA in Russian 9 Feb 95 p 1

[Supreme Council of Crimea Press Center report: "Second Session of the Supreme Council of Crimea"]

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[FBIS Translated Text] The plenary meeting of the Supreme Council of Crimea Second Session continued on 8 February.

Following the formation of the agenda, the deputies adopted the decision to first consider the question of no confidence in and the dismissal of the Supreme Council of Crimea Presidium. During the discussion Deputy V. Maksimov expressed the thought that the present Supreme Council of Crimea Presidium could no longer be supported in the current situation. Deputy L. Grach said that it is essential to halt the decline of the Russia bloc and, having come together, to rectify mistakes by joint efforts. In the opinion of L. Grach, unless the deputies find a sensible way out of the current situation, "the electorate will themselves break up the Supreme Council." L. Grach also proposed, in the event of the Presidium not being rotated, the announcement of a moratorium on the consideration of such matters in 1995. In his speech Deputy V. Verchenko called on the deputies for good sense and a balanced approach and also proposed an end to the confrontation with legislation of Ukraine. V. Verchenko proposed a secret ballot on the matter discussed. Yu. Podkopayev, chairman of the Standing Commission of the Supreme Council of Crimea for Education, Science, Culture, Youth Affairs, and Sport, advocated in his speech the chairman of the Supreme Council of Crimea being accorded the right to raise the question of members of the Presidium who had declared their disinclination to continue to work on the Presidium. Deputy V. Nikolayev observed that, despite the fact that he had earlier advocated the dismissal of the Presidium, cohesion in the Supreme Council was essential under the current conditions, and the dismissal of members of the Presidium would not contribute to this. V. Mezhak, deputy chairman of the Supreme Council of Crimea, said that at this time a rapprochement between the president and parliament had begun and that the dismissal of members of the Presidium could have a negative impact on this process. V. Mezhak also supported a secret ballot. Deputy V. Kizilov advocated in his speech the need for the dismissal of the Supreme Council Presidium, noting that some of the Presidium's decisions had been adopted in violation of legislation. Deputy N. Osipov said that the consolidation of the two branches of power was being observed at this time. N. Osipov expressed the fear that there would be no guarantee of stability in the republic in the event of rotation of the Presidium. Deputy V. Zaskoka pointed to the fact that the Presidium had adopted decisions in violation of legislation. V. Zaskoka also emphasized that the president of Crimea could, had he so wished, have attended the meeting and expressed his opinion on the matter under discussion and he made a negative assessment of the position of the communists on this issue that had been expressed earlier by L. Grach. Deputy S. Savchenko observed that the question of the dismissal of the Presidium had been raised at the session repeatedly and it had been hoped that the Presidium would have rectified the mistakes that had been made. She emphasized that it was essential that the question of dismissal of the Presidium be considered immediately. A. Danelyan, chairman of the Standing Commission of the Supreme Council of Crimea for Nationality Policy and the Problems of Deported Citizens, declared that were a new Presidium which took account of all interests to be elected, dissolving the Supreme Council would be far more difficult. A. Danelyan also emphasized that the foundations of the statehood of the Republic of Crimea had been undermined to a considerable extent in the recent period. R. Chubarov, chairman of the Kurultay faction, advocated the dismissal of the Presidium and said that many of the decisions adopted by the Supreme Council and the Presidium had contributed to the disintegration of the statehood of the Republic of Crimea.

The deputies adopted the decision to continue discussion at the evening meeting.

Defense Minister: AN-70 Crash Causes Loss of $30-50 Million

LD1102192895 Kiev UNIAN in Ukrainian 1630 GMT 11 Feb 95

[FBIS Translated Text] Kiev—Ukraine will continue work on An-70 aircraft despite the crash of the first experimental aircraft on 10 February, Valeriy Shmarov, Ukraine's deputy prime minister and minister of defense, told journalists on 11 February after he returned from the catastrophe area.

During the test flight, the An-70 and the accompanying An-72 were separated by a distance of slightly more than 100 metres. Experts presume that the An-70 lost control and began moving towards the An-72 at a high speed. Having been damaged, the experimental aircraft went down rapidly from the height of 3,000-3,500 metres, fell into a forest, and exploded. The An-72 made an emergency landing 20 km away from the airfield in Gostomel.

A "black box" was found in the air crash area. Work is being carried out there round the clock. All scientists who took part in designing the aircraft have been engaged. Valeriy Shmarov expressed the hope that the government commission would draw its first conclusions about the cause of the accident by the evening of 12 February; although, he pointed out, no objective data whatsoever is available to the commission. Evidence provided by eyewitnesses is rather conflicting.

Designers and aviators assert that the first An-70 experimental aircraft had three hours of accrued flying time, it was quite controllable, and nothing showed there was a possibility of a catastrophe. Scheduled testing of the experimental aircraft An-70 has been carried out successfully since December 1994. The aircraft's construction began in 1990.

Valeriy Shmarov flatly rejected incompetence of the crew as a possible cause of the catastrophe; the crew consisted of first class test pilots.

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A decision on resuming flights by An-70 experimental aircraft will be made after experts and scientists draw their conclusions and decide the catastrophe was not due to defects in the design.

The remains of those killed in the crash will soon be subjected to forensic examination. The funeral is planned for the end of the week.

Replying to UNIAN's questions concerning the moral damage and material losses inflicted by the air crash, Valeriy Shmarov expressed regret that it puts one of the topmost achievements of Ukraine's aircraft building in a bad light. According to him, material losses amount to $30-50 million.

On 12 February the government commission, headed by Valeriy Shmarov, will again visit the catastrophe area.

Moroz Says Economic Reforms Under Test

LD1102204595 Kiev Radio Ukraine World Service in Ukrainian 1700 GMT 11 Feb 95

[FBIS Translated Text] A visit by the chairman of Ukraine's Supreme Council to Nikolayev ended on 11 February in a working meeting with leaders of industrial enterprises, agro-industrial complex, trade unions and chairmen of rayon and town councils of people's deputies.

Participation in the commissioning of a supertanker being built at the Black Sea Shipyard and Engineering Works for the Greek firm AVIN, and familiarization with Ukraine's largest shipyard and with the production association Zorya, which is known for its gas turbine equipment, determined the content of the speech delivered by Oleksandr Moroz.

In his opinion, the issue of whether or not our state is capable of coming to terms with itself economically as a state is now on the cards. Nikolayev gave an example to the guest, proving that people do find ways out of the tough situation if they look for these ways. However, a state policy of developing the economy and the production sphere is absolutely essential. First of all, it is necessary to elaborate a state scientific and technical policy. It is also important to unite the interests of the economy in the region with the interests of the authorities in the region, the head of parliament pointed out. The Supreme Council, he emphasized, is in favor of the reforms, however they should be reasonable and of benefit to the producer.

Deputy Minister Says Environmental Problems Growing

LD1102205495 Kiev Radio Ukraine World Service in Ukrainian 1700 GMT 11 Feb 95

[FBIS Translated Text] Ukraine inherited the most polluted economy, as far as ecology is concerned. Vasyl Shevchuk, deputy minister of environment and nuclear safety pointed this out in an interview with the ZERKALO NEDELI newspaper. The volume of accumulated waste produced by the mining, power engineering, metallurgical and other industries reaches at least 15 billion tonnes, and is growing by more than 1 billion tonnes annually.

According to Vasyl Shevchuk, virtually no clean underground sources of drinking water are left on Ukraine's territory. In this situation, the deputy minister believes, ecological priorities should be taken into account when resolving economic and political issues.

In Vasyl Shevchuk's opinion, the right of the present-day and future generations to a clean environment should be enshrined in a new constitution of Ukraine.

Kuchma Deputy Warns on Reckless Crimean Decisions

LD1002232295 Kiev UNIAN in Ukrainian 1840 GMT 10 Feb 95

[FBIS Translated Text] Simferopol [no date as received]—The Ukrainian president's representation in Crimea has prepared a number of reports in connection with illegal resolutions by the Supreme Council of the Autonomous Republic of Crimea. Pavlo Yevhrafov, the Ukrainian president's deputy permanent representative in Crimea for issues of law and state, told this to UNIAN on 10 February.

Yevhrafov believes that the resolutions by Crimea's Supreme Council "On the Objects of State Ownership of the Republic of Crimea and Public Organizations of the Former USSR That Are Located on the Territory of the Republic of Crimea" and "On the Regional Branch of the State Property Fund of Ukraine in the Republic of Crimea" are illegal and violate not only the laws of Ukraine but also the constitution of Crimea.

According to Pavlo Yevhrafov, letters have been sent to the chairman and the presidium of the Supreme Council of Crimea, in which the decision on denouncing the Belovezhskaya agreements is assessed as encroachment on Ukraine's sovereignty and attributes of its statehood. In addition, the attention of the Supreme Council of Crimea was drawn to the need to refrain from adopting enforceable enactments that destabilize the socioeconomic situation in the autonomous republic.

Official: Parliament Committee Favors Crimean Autonomy

WS1002145395 Kiev INTELNEWS in English 0221 GMT 10 Feb 95

[Report by Oksana Hasiuk]

[FBIS Transcribed Text] Feb. 9—The head of a parliamentary committee appointed to study the Crimean crisis says he will reject demands for the revocation of the peninsula's autonomous status.

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Dmytro Stepaniuk, whose committee will report to parliament next week, when it is scheduled to debate Crimea, also said that he was against a proposal to dissolve the Crimean parliament, arguing that it plays a positive role in Crimean life.

The committee was created by parliament on Nov. 17, the same day it decided to cancel nearly 40 Crimean laws which it judged to be in conflict with the current Ukrainian Constitution. Right-wing forces in parliament have demanded that Crimea's status as an autonomous republic be abolished and that its legislature be dissolved.

"We should continue gradual cancellation of Crimean laws which contradict the Ukrainian Constitution, but we should not change the legal status of Crimea," Stepaniuk said at a Wednesday briefing given by his committee. "It should remain an autonomous republic as a part of Ukraine," Stepaniuk said.

Stepaniuk and others, however, were critical of the military lobby in Crimea—particularly the leadership of the Black Sea Fleet, which he accused of being overly concerned with Russian interests.

"Officers of the Black Sea Fleet do not even know what their commanders, headed by Rear Admiral Eduard Baltin, are doing behind their backs," said committee member Valeriy Palamarchuk. According to his data, nearly 100 kinds of property, arms and military equipment of the Black Sea Fleet have been illegally leased since 1992.

"The same situation exists in Yalta and in Mykolayiv, where sanitariums and hospitals owned by the Black Sea Fleet were given under lease to commercial structures by Black Sea Fleet commanders," Palamarchuk said.

All members of the committee were especially critical of Crimean President Yuriy Meshkov, accusing him of causing great harm to the local economy. "The economic situation in Crimea was under his control last summer, but now (Prime Minister Anatoliy) Franchuk's government controls it," said Stepaniuk.

"Crimean territory is under Ukrainian jurisdiction now and Ukraine is responsible for it. If Ukraine wants to preserve Crimea as its territory, it should help Crimea economically, " he said, noting that the Ukrainian Government has allocated 1.2 trillion karbovanteses in economic assistance to the peninsula.

Crimea Applies for CIS Membership

LD1002133395 Kiev UNIAR in Ukrainian 1300 GMT 10 Feb 95

[FBIS Translated Text] Simferopol, 10 Feb—The Crimean President Yuriy Meshkov announced in a local TV "Presidential Time" program that he had sent an address to the CIS heads of state who assembled at the Almaty summit.

Meshkov asked the Commonwealth leadership to include Crimea in the CIS as an associate member and bring the CIS headquarters from Minsk to Crimea. The address also proposed Crimea should accede to the customs treaty.

Crimean Factions Want To Discuss Presidium's 'Resignation'

WS1002151795 Kiev INTELNEWS in English 0221 GMT 10 Feb 95

[FBIS Transcribed Text] Simferopol, Feb. 8—Crimean parliament factions Kurultay, Respublika, Reform and the deputy group Krym initiated Wednesday [8 February] a discussion on Crimean parliament presidium's resignation. A proposal to include this issue in the agenda was supported by 52 out of 95 deputies.

The presidium's resignation was strongly opposed by the Rossiya and Rossiya-Unity factions and the Communists.

Crimean parliament Deputy Speaker Viktor Mezhak urged the parliament not to vote for the presidium ouster. "We have found a common language with the president. We have also asked Russian President Boris Yeltsin to grant Crimean residents Russian citizenship and adopted a resolution on division of property on the peninsula," said Mezhak.

Rossiya-Unity faction member Viktor Nikolayev believes the change could provoke further instability on the peninsula. "Today, when nationalist forces in Ukraine are becoming more active, it is extremely dangerous for Crimean parliament to stage a coup d'etat, because it may lead to loss of Crimean statehood," he said.

Crimean Communist Party leader Leonid Grach agreed, saying "the current Crimean parliament presidium should stay to put things right."

But other parties said the policies of the presidium are weakening the Crimean position. Russian Party of Crimea member Vladimir Maximov said that the Rossiya Party, whose representatives have been elected to the parliamentary presidium, are to blame for the fact that "the idea of Slavic unity in Crimea will soon be given up."

Agrarian faction member Vitaliy Verchenko said "Crimean parliament presidium's words and deeds have always been at variance, hence, the current confrontation with Ukraine."

"It is only an illusion to hope that Russia will save us. Today Russia is in a deep crisis and is busy 'licking the wounds' it got in the war with Chechnya," he added.

One of the leaders of the Respublika faction, Boris Kizilov, charged Crimean parliament presidium with a lack of competence. "Because it is unqualified, the Crimean parliament leadership worsened relations with Ukraine and did not improve relations with Russia."

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Kizilov suggested the formation of a new parliamentary presidium consisting of representatives of all factions.

Kurultay faction leader Refat Chubarov accused the parliamentary presidium of undermining Crimea's statehood. "What did you gain by your hysterical appeals to withdraw Sevastopol from Ukraine's jurisdiction? You have gained your ends—all the Black Sea Fleet's property has been plundered," said Chubarov.

After a lengthy discussion, Crimean parliament decided to vote on this issue by secret ballot.

Meshkov Sums Up Results of First Year in Office

WS1002151195 Kiev INTELNEWS in English 0221 GMT 10 Feb 95

[FBIS Transcribed Text] Sevastopol, Feb. 9—On Thursday [9 February] Crimean President Yuriy Meshkov addressed the Autonomous Republic's Parliament with a speech in which he summed up the results of his first year in office and outlined his views on the issues affecting Crimea.

Meshkov urged that "normal legal relations with Ukraine" be maintained and that Crimean and Ukrainian parliaments "support and implement Ukrainian President Leonid Kuchma's economic reform program."

The following are excerpts from Meshkov's speech:

"Our economic integration and cooperation with Russia are broadening and deepening, while political integration is a question for the very distant future. This question should be settled by the leaders of Russia, Ukraine, Belarus and Kazakhstan.

"Our task is to provide a smooth transition from one social system to another, from chaos to stability. One of the prerequisites of such a smooth transition is political stability in society, without which trouble-free development of the economy is impossible. Also we should not forget about the objective necessity to maintain normal legal relations with Ukraine. The people of Crimea really want to become the owner of the Autonomous Republic's property and to enjoy complete financial independence. To provide economic stabilization, it is necessary to build an open-type economy with the government's support of Crimean entrepreneurs and investors.

"Today we live within the legal and economic space of a country that has a US$7 billion foreign debt. How much time and effort will it take the great European country we live and work in to get out of this situation and to solve the economic problem of repayment of this debt?

"In my opinion, Ukrainian parliament should adopt the economic reform program suggested by the Ukrainian president and implement it. We should also support this program, in spite of all the insults of the past, because this is the only way for our state to survive.

"Crimea should not be a private domain for bandits. We do not need diplomats in militia uniform to negotiate with mafia. Today we must move from passive defense to active suppression of organized crime."

Economic Issues

Reform Group Calls on Businessmen To Support Kuchma

LD1202132295 Kiev UNIAN in Ukrainian 1720 GMT 11 Feb 95

[FBIS Translated Text] Dnepropetrovsk—A regional conference of the newly set up Inter-Regional Bloc of Reforms (IBR) political party, which took place on 11 February, called on Ukraine's businessmen and entrepreneurs to move towards capitalism and support the reformist policy of Ukraine's President Leonid Kuchma geared to building market relations in society. The coordinator of the regional organization of IBR, well-known Dnepropetrovsk businessman Hennadiy Balashov, emphasized that time had come for radical transformations in the economy, for the priority of private sector and private ownership. "The president's reforms should lean on private owners and businessmen," he said, "and people should trust them instead of being afraid of them."

An IBR regional council was elected at the conference, with Hennadiy Balashov as its leader.

In an interview with UNIAN, the newly elected chairman said that the regional branch of IBR had already come to terms with many democratic associations in the oblast and that there would be no obstacles in the way of setting up extensive blocs at the regional level if there was a need to run in elections at all levels. Determining potential allies, Hennadiy Balashov emphasized that IBR would be ready to cooperate with all who share market views and recognize the priority of human rights. "We shall create blocs neither with the extreme left-wingers nor the extreme right-wingers, but will be ready to give a helping hand to all the rest," he said.

Center of Privatization Certificate Auctions Opens

LD1002220795 Kiev UNIAN in Ukrainian 1635 GMT 10 Feb 95

[FBIS Translated Text] Kiev [no date as received]—The Ukrainian center of privatization certificate auctions, which is the main organizational link in the mechanism of privatization by means of cash property certificates, opened on 10 February.

"The opening of the center means that Ukraine is embarking with confidence on the road of market economy," Ukrainian President Leonid Kuchma emphasized in a message of greetings to the participants in the opening ceremony.

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The opening ceremony was attended by Viktor Pynzenyk, first deputy prime minister; Yuriy Yekhanurov, chairman of the State Property Fund of Ukraine; and representatives of the Supreme Council and the Cabinet of Ministers. Ambassadors of a number of foreign countries and representatives of international organizations were among the guests.

Viktor Pynzenyk, first deputy prime minister, emphasized in an interview with UNIAN that the center will pave the road to private investments in Ukraine's economy. "The budget lacks money for investments," he pointed out. Viktor Pynzenyk said he would attend the first auction due to take place in two weeks.

Emphasizing the "transparent" procedure of privatization certificate auctions, Yuriy Yekhanurov, chairman of the State Property Fund, expressed the hope that this procedure will help to avoid criminal abuses during the privatization process.

According to Bohd[illegible]tsa, the center's director general, the "system of privatization certificate auction centers has been set up in order to enable every citizen, regardless of his place of residence, to exercise his right to have a share of state property through the purchase of shares of the enterprises that are being privatized throughout Ukraine."

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Belarus

U.S. Team To Discuss Programs for Combating Crime

WS1002140295 Minsk ZVYAZDA in Belarusian 8 Feb 95 p 3

[Report by Leanid Lakhmanenka: "Belarus and the United States in Partnership in the Battle With Organized Crime and Terrorism"]

[FBIS Translated Text] **As has already been reported, a U.S. interdepartmental delegation comprising representatives of the Department of State, the Justice Department, the FBI, secret services, customs services, IRS, and the Agency for International Development visited Minsk in early February. The delegation was headed by James Steiner [as transliterated], special adviser to the U.S. Department of State chief coordinator for CIS matters.**

In the course of the visit, consultations with members of the National Security Council, the Ministry of Internal Affairs, the Justice Ministry, the State Taxation Inspectorate, the State Customs Committee, and the Office of Belarusian Prosecutor General were held with the participation of Deputy Foreign Minister Pyatro Byalyayev. The delegation members also met with representatives of the Finance Ministry and state legal services.

A news conference on the results of the visit was held at the Belarusian Foreign Ministry. The participants in the conference told journalists that in 1995 the United States is going to focus its attention on implementing a program of assistance in the battle against crime to such CIS countries as Russia, Belarus, Ukraine, and Kazakhstan. Following Russia, Belarus became the second country to which the nine-person U.S. delegation arrived. After Belarus, the delegation will also visit Ukraine. A visit to Kazakhstan is planned in the spring.

In Belarus, the Americans proposed to examine options for cooperation in implementing specific programs for training personnel and providing technical assistance.

These programs are to be implemented in both Belarus and the United States, and will be aimed at achieving three primary goals.

The first goal is the battle against organized crime. This includes an active counteraction against intellectual crime, or as the Americans say, "white collar" crimes. In this regard, it has been planned to organize training in investigating various financial and banking crimes and corruption, including international crimes. U.S. specialists will share their experience in exposing them, and will describe methods of conducting electronic surveillance and secret actions aimed at investigating swindles with money laundering, credit cards, and computer machinations.

The U.S. Treasury Department's secret service is going to provide assistance in this regard. It will share its experience in investigating crimes connected with forging, production, and dissemination of documents, which make it possible to travel easily from one country to another.

In general, the battle against financial crimes has been selected as a special goal. The U.S. IRS will be included in this work. It will conduct a two-week training course for workers of the Belarusian taxation services.

The U.S. Treasury Department's Bureau for Alcohol, Tobacco, and Firearms will conduct training in implementing a system of issuing alcohol and tobacco licenses and imposing taxes on their sale, as well as protecting consumers rights.

This subdepartment will also familiarize Belarusian militiamen with the methods and modern technical means of investigating explosions.

A third goal is to counteract drug trafficking, and the United States, by the way, has perhaps the greatest and most precious experience in this area. The U.S. Drug Enforcement Agency will share their experience with appropriate Belarusian special services.

In general, these programs for cooperation between the United States and countries from East Europe and the former USSR in the battle against organized crime and terrorism promise to be beneficial. As early as this June, the U.S. customs service will organize a seminar on detecting illegal shipments of drugs.

Hryb Receives U.S. Delegation

WS1002144195 Minsk BTK Television Network in Belarusian 1900 GMT 2 Feb 95

[Video report by V. Bitsan and Z. Zavadski—correspondents identified by caption]

[FBIS Translated Text] A delegation of representatives from U.S. Departments and Government institutions connected with the training of cadres and assistance to CIS countries in the sphere of law enforcement activity is visiting Minsk. Today, the delegation headed by James Steiner was received by the Supreme Soviet Chairman Myacheslaw Hryb. The primary purpose of the visit is to determine the most effective programs for training the cadres, as well as the categories of technical assistance to Belarus needed in its efforts to combat crime. Myacheslaw Hryb informed the visitors about measures adopted by the Belarusian parliament for creating a legislative basis for securing the activity of law enforcement bodies.

[Begin recording] [Hryb, in Russian] The issue of combating crime is of acute interest not only to our country and our society or to other republics of the former Soviet Union, but also to the United States. The issues of unification or integration of the criminal world in their entirety are considered a higher priority than the integration of industry and the national economy. [end recording]

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It is well understood in the Republic that Belarus only temporarily lags behind other countries in the spread of such negative phenomena as, for instance, the use of drugs. This was emphasized during the Interior Ministry Collegium's last session. Therefore, we need much assistance. Incidentally, the U.S. Congress is anxious about the increasing crime rate in CIS countries, and is ready to allocate the means for strengthening the struggle against this phenomenon. James Steiner has been authorized to announce such assistance also to Belarus.

Accusations of 'Overhauling' Statehood for Moscow

LD1002214895 Moscow INTERFAX in English 1854 GMT 10 Feb 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] Leader of the opposition People's Front Zenon Pozniak has accused the government of aiming to overhaul the country's statehood to please "certain political forces in Russia".

At a news conference in Minsk, he pointed as an example to last month's accords with Moscow under which an advanced warning station at Gantsevichi (southern Belarus) and a communications center at Vileika (central Belarus) for Russian nuclear-powered submarines in the Baltic Sea and the Atlantic are to be leased to Russia for 25 years.

Pozniak described as a crime the government decision to enforce the accords behind the parliament's back on January 6.

The nationalist leader also said the leasing agreement was in violation of the bilateral agreement on Russian pullout from Belarus next year. IF Note: The government passed a resolution instructing ministries, departments and other agencies to start to enforces the bilateral accords signed by Prime Minister Mikhail Chigir and Russian Vice Premier Aleksey Bolshakov in Minsk on January 6. The foreign ministry is instructed to informed its Russian counterpart about the package being put in place. This includes agreements on a customs union, non-trade settlements, convertibility and stabilization of the two countries' currencies, guidelines for the creation of financial-industrial groups, the removal of trade barriers as well as a package of military agreements on the status and use of key military installations on Belarusian soil by Russia.

Secretary of the parliamentary commission for international affairs Valentin Golybev who was also involved in the conference described the cabinet's behavior as legalized gangsterism. Residents of Gantsevichi and nearby villages have called on the president for security guarantees from the radar station and an early Russian pullout. Pozniak threatened to denounce the leasing agreement if the right wing opposition wins general elections on May 14.

Parliament Ratifies Convention Banning Chemical Arms

LD1302102895 Moscow ITAR-TASS in English 0944 GMT 13 Feb 95

[By BELINFORM correspondents Vladimir Glod and Larisa Lazar—TASS]

[FBIS Transcribed Text] Minsk February 13 TASS—The Belarusian parliament ratified the convention on the prohibition of development, production, stock-piling and use of chemical weapons and on their distruction.

First Deputy Foreign Minister Valeriy Tsepkalo reported that there is no most dangerous weapons in Belarus which are marked as nos. 1 and 2 on the list of chemical weapons. The republic produces only one chemical on this list—hydrocyanic acid.

Specialists believe that the implementation of obligations taken under the convention will not entail considerable financial outlays.

Inspections at Belarusian chemical enterprises will begin only four years after the convention comes into force, while expenses connected with such inspections will be covered by the Organisation on the Prohibition of Chemical Weapons (OPCW).

Thus, Belarus' outlays for the implementation of the convention will be almost fully paid with its contributions to the OPCW budget.

Tsepkalo said in an interview with BELINFORM that the ratification of the document exempts the republic from sanctions on the export of chemicals. The OPCW uses these sanctions against countries which do not ratify the convention, following its signing.

This fact is of great significance for Belarus which has a developed chemical industry.

Moldova

Foreign Minister on Ties With CIS States

LD1102145495 Moscow INTERFAX in English 1310 GMT 11 Feb 95

[FBIS Transcribed Text] Chisinau, Feb 11 (Interfax)—Closer bilateral ties with CIS countries, above all with Russia, Ukraine, and Belarus remain a priority in Moldova's foreign policy, Mikhail Popov, that republic's foreign minister told an Interfax interviewer in Chisinau.

He noted that this made the core "of the foreign policy concept", endorsed by Moldova's parliament a few days ago. "We proceed from the assumption that Chisinau could get over the current economic crisis only through active cooperation with these states," Popov said.

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However, he stressed, this did not mean that Moldova "put too much stress on ties with former USSR republics."

Among Chisinau's other foreign policy priorities, Popov also called closer "relations with Romania, U.S., Germany, France, Italy, Britain, and Canada."

He stressed that the concept rest on "the principle of permanent neutrality" of Moldova. "Thereby, we refuse in advance to participate in armed conflicts and in political, military or economic alliances, whose aim is war preparation," Popov explained.

"In keeping with this principle, Moldova cannot allow the use of its territory as foreign military bases, and it pledges not to store, make, or test a nuclear weapon."

The minister also noted that the concept made no mention of the 14th Russian Army, being stationed in Moldova. He voiced belief that "an agreement on its withdrawal will be signed and implemented in due course."

Snegur To Attend CIS Summit Economic Discussions

AU1002180495 Chisinau INFOTAG in English 1930 GMT 9 Feb 95

[FBIS Transcribed Text] Chisinau INFOTAG, 9/2/1995—A Moldovan governmental delegation, headed by President Mircea Snegur, left for Almaty (Kazakhstan) today to take part in the summit of the CIS heads of state and government.

The delegation includes Prime Minister Andrei Sangheli, Deputy Prime Minister Valentin Cunev, Foreign Minister Mihai Popov, Director of the State Customs Department George Hioare.

Before the departure, President Snegur has outlined economic problems to be discussed in Almaty which include "transparency of borders, to be taken as the basis of the CIS customs legislation; removal of customs barriers and avoidance of double taxation. These present a vital necessity for conducting reforms."

Snegur pointed out a necessity to sign a pact on maintaining peace and stability, for without a firm peace it is impossible to overcome the economic crisis.

The President confirmed that Moldova stands up for purely economic cooperation in the CIS, and, like at previous CIS summits, shall not take part in discussing military-political issues when in Kazakhstan.

In his interview with INFOTAG, Prime Minister Andrei Sangheli pointed out a necessity to solve the economic problems that have accumulated since the previous summit. Moldova shall be active in discussing the summit agenda, and may propose additional questions to be included into it.

Lebed: Agreement on 14th Army Withdrawal 'Rubbish'

AU1002164595 Chisinau INFOTAG in English 1930 GMT 8 Feb 95

[FBIS Transcribed Text] Chisinau INFOTAG, 8/2/1995—The Russian 14th Army commander, Lieutenant-General Aleksandr Lebed, has stated that the Dniester president's decree, in force since yesterday and prohibiting to take equipment out from the Dniester territory, is irrelevant to the Russian military property in the region.

Lebed reminded that the decree was named "On Additional Measures to Curb Exportation from the Dniester Moldovan Republic of Machinery, Equipment, Belongings, and Other Material Means Purchased from the Russian 14th Army."

Lebed said that "this means that Dniester residents, who purchased the machinery from the 14th Army, have no right to take it out of the region; the decree does not apply to the Army's military equipment and armaments."

Explaining what kind of machinery was sold, the commander stressed that it was only general-purpose carburetor vehicles, mainly used trucks and lorries, whose term of operation had expired.

"We have not sold even a single military-purpose vehicle. As for the above trucks, they were traded through an appropriate department of the Russian Defence Ministry, which has its permanent representative in my army," he said.

Commenting on the Moldovan-Russian Withdrawal Agreement and the withdrawal process as such, Lebed said this was "just word rubbish" which he attains no significance to, because he said he received no orders from Moscow concerning the Army removal.

Framework Act on Foreign Policy Approved

AU1002210595 Chisinau INFOTAG in English 1930 GMT 8 Feb 95

[FBIS Transcribed Text] Chisinau INFOTAG, 8/2/1995—By 68 ayes and 20 noes, the Parliament adopted the Framework Act on Moldova's Foreign Policy today.

Presenting the draft, Moldovan Foreign Minister Mihai Popov pointed out that, geographically, the Republic is located between two worlds: the former Soviet republics, and the Central and Eastern Europe.

Among priorities in the foreign policy, Popov emphasized consolidation of the country's independence and sovereignty; provision of territorial integrity; establishment of the country as a factor of stability in the region; promotion of democratic and economic reforms; building a law-governed state.

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According to the Framework Act, the Moldovan external policy shall be based on the principles of non-use of force or threat of force; peaceful settlement of international disputes; non-interference into other countries' internal affairs; inviolability of borders and territorial integrity of states.

The Republic shall conduct a policy of permanent neutrality, shall not take part in armed conflicts, in political, military or economic unions whose aim is preparation of war, shall not allow to use the Moldovan territory for deployment of forces and military bases, shall not store, produce and test nuclear weapons.

Among priorities of the Moldovan foreign policy, the document names the development of bilateral relations with CIS states, first and foremost with the Russian Federation, the Ukraine and Belarus; with European and North American states, primarily with Romania, the United States, Germany, France, Italy, the Great Britain, Canada.

Among Asian, African and Latin American countries priority shall be given to Japan, China, Iran, Republic of Korea, South African Republic, Egypt, Mexico, Brazil.

A separate section of the Framework Act is devoted to the development of multilateral relations of Moldova, which include activities in the framework of the United Nations and other global international organizations (the International Monetary Fund, the World Bank, the United Nations Development Programme, the World Health Organization, the UNESCO), as well as regional and subregional cooperation (the Organization for Security and Cooperation in Europe, the Council of Europe, the European Union, NATO, the Black Sea Association, the Danube Commission).

In the context of cooperation with NATO, Moldova attaches a particular significance—from the viewpoint of strengthening national, regional and international independence—to activities in the framework of the Partnership for Peace Program.

Opposition Votes Against Act

AU1002210795 Chisinau INFOTAG in English 1930 GMT 8 Feb 95

[FBIS Transcribed Text] Chisinau INFOTAG, 8/2/1995—The parliamentary opposition voted against the Framework Act on Foreign Policy adopted today.

Speaking on behalf of the Bloc of Peasants and Intellectuals, Alexandru Mosanu has criticized the document. In his words, he was puzzled by the way the state's neutrality was formulated in it. He stated that the suggested interpretation deprived Moldova of a possibility to defend itself in case it is attacked by a foreign state. In his opinion, the document also allows to make Moldova a conductor of a foreign state's policy.

"The Framework Act prohibits to deploy foreign military bases on the Moldovan territory, but is silent about other foreign troops. Thus, it turns out that the presence of the Russian 14th Army, as well as the stance of Tiraspol separatists, are being legitimized," Mosanu stressed.

He said that "the true strategy in the current leadership's foreign policy is reflected in only one thesis—the one concerning cooperation with the CIS structures. All the rest are targeted only on justification of Moldova's joining the CIS Empire."

Sergiu Mocanu of the Popular Front said the Front was ready to back the Framework Act, but only on the condition that the ruling majority would accept three substantial amendments. But since only one of the three was supported, the Popular Front faction voted against the document, too.

Official: Act Strengthens Independence

AU1002210895 Chisinau INFOTAG in English 1930 GMT 8 Feb 95

[FBIS Transcribed Text] Chisinau INFOTAG, 8/2/1995—The Deputy Chairman of the Moldovan Parliament, Nicolae Andronic, has stated today that "Moldova is doomed to be independent, and the Framework Act is targeted on strengthening the independence."

Speaking in the Parliament, he said that the left forces are against Moldova's cooperation with NATO and Western structures, while the right forces are against integration into the CIS.

"As long as the above international mechanisms exist, we have to cooperate with all of them on the basis of mutual benefit. In doing so we should observe the balance of forces, for its upsetting is fraught with dangerous relapses we have already experienced at the early days of our independence," Andronic stressed, having resolutely supported the document.

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Kazakhstan

Uzbek, Kyrgyz, Kazakh Presidents Sign Accords

LD1002201995 Moscow Russian Television Network in Russian 1700 GMT 10 Feb 95

[Report over video by correspondent A. Kondrashov; from the "Vesti" newscast]

[FBIS Translated Text] [Kondrashov] [Video shows meeting between Nazarbayev, Karimov, and Akayev, document-signing ceremony, news conference] A few hours after the end of the Almaty summit of Commonwealth heads of state, three Central Asian leaders decided to continue the meeting on a smaller scale.

Nursultan Nazarbayev, Askar Akayev, and Islam Karimov renewed their efforts to deepen the integration between the Asian states that was started back in 1991 immediately after the breakup of the Soviet Union. As a result of today's negotiations, the presidents of Kazakhstan, Kyrgyzstan, and Uzbekistan signed an agreement on an interstate council in which they themselves feature in the role of chief coordinators. A Council of Heads of Government and a Council of Foreign Ministers of the three republics were also set up. In conclusion, the leaders of Kazakhstan, Kyrgyzstan, and Uzbekistan set up the Central Asian Bank of Cooperation and Development.

In response to the question as to whether the Asian republics fear all this might be taken to separate action bypassing Russia, the President of Kazakhstan Nursultan Nazarbayev, answered:

[Begin Nazarbayev recording, shown addressing news conference alongside other presidents] Russia and Belarus have signed accords, Russia and Kazakhstan have just done so, should everyone take offense at that? No one is becoming offended at all: On the contrary, I reckon that within the CIS, as the CIS Charter states, bilateral and regional alliances are not excluded. I believe, the three of us believe, that this strengthens the CIS. [end recording]

Chernomyrdin Comments on Armenia-Azerbaijan Conflict

NC1102175295 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0843 GMT 11 Feb 95

[FBIS Transcribed Text] Yerevan ("Azg" daily), 02/11/95—A CIS summit finished in Almaty today. President of Kazakhstan Nursultan Nazarbayev said, it has been rather fruitful.

An Azeri journalist asked Russian Prime Minister Victor Chernomyrdin during a press conference after the summit, how does he understand the concept of joint defense, and what parallels exist between wars in Karabakh and Chechnya. Chernomyrdin replied there could be no comparison here, since the problem of Chechnya is internal problem of Russia, but the Karabakh conflict is not an internal problem of Azerbaijan. "Armenia and Azerbaijan should solve the problems with each other, whereas our task is the defense of the borders of former Soviet Union", he added.

Opposition Parties Issue Memorandum on Cooperation

LD1102162395 Almaty NARODNYY CONGRESS in Russian No. 3 Feb 95 p 1

[FBIS Translated Text] Memorandum on constructive opposition to the policies of President Nursultan Nazarbayev and his administration:

The leaders of the regional organizations in Central and North Kazakhstan of the Kazakh People's Congress Party on the one hand and the republican Slavonic movement Lad on the other hand, who met for a conference in Akmola on 13-15 January, discussed the republic's political and socioeconomic situation and international relations.

As a result of a broad and trusting exchange of opinions the participants agreed on the necessity of coordinating joint actions and setting up a constructive opposition to the policies of President Nazarbayev and his administration in the Central and Northern regions of Kazakhstan. They reached an agreement to discuss specific mechanisms for implementing this and to approve them at future conferences.

The creation of the opposition bloc and of unity of action by the Kazakh People's Congress Party and Lad are based on common positions regarding the following pressing issues:

1. The participants are unanimous that the socioeconomic and political situation in the republic today is dangerous and threatens a split in society and the destruction of the state. We proceed from the principles of cooperation of classes and nationalities, and of the preeminence of interests common to all mankind. "We are the people of Kazakhstan," "A human being is the highest value"—these are the basic principles which create civil peace and interethnic accord and which consolidate people.

2. The participants recognize the necessity of fundamental changes in the policies conducted by the present leadership of the republic.

The participants consider the main goal of economic and political reforms is to ensure a prosperous life for the people through the development of mass competitive goods production using internal scientific-industrial and personnel potential, the modernization of industry and agriculture by resurrecting the economic expanse of the CIS on a qualitatively new basis, and the creation of reliable social guarantees for the population.

3. The participants in the meeting recognize the idea of conscious mutual dependence of Kazakh domestic and

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foreign policy in program principles and note the necessity of mutually beneficial cooperation with all states. At the same time the participants underline the priority of close ties with Russia, with which Kazakhstan has centuries-old ethnic, economic, and cultural relations. The participants consider that under conditions of conscious mutual dependence this historical factor must be the basis for the rapid development of the new Kazakhstan.

4. The particpants recognize the necessity to improve the republic's Constitution in the direction of the constitutional provision of all of the prerequisites for establishing a genuine law-based democratic state and civil society, where the rights of each citizen are observed regardless of nationality, race, and religion, where no single ethnic group is given priority rights.

5. The participants note that the bloc is an open formation. Other parties and organizations, which accept the above principles and are ready to construct their activities on the base of these ideas, can enter it.

6. It is proposed to the central bodies of the Kazakh People's Congress Party and the republican Slavonic movement Lad that they introduce for the consideration of future congresses the issue of concluding an agreement on the formation of an opposition bloc from the Kazakh People's Congress Party and Lad throughout the republic and appealing to other political parties and public organizations, which have similar manifestos, to unite on the basis of this platform.

Political Infighting Reported in Cossack Community

LD1202174595 Almaty KHALYK KENESI in Kazakh 10 Feb 95 p 1

[Unattributed article: "Why the Cossack Captain Grieves"]

[FBIS Translated Text] Victor Sharokov, a veteran of the Afghan war, is to head the council of atamans [Cossack chieftains] of Upper Irtysh Cossacks in the city of Ust-Kamenogorsk instead of Ataman Fedor Cherepanov, who has got lost once again [reference to Cherepanov's reported abduction in autumn 1994].

But, according to Captain [yesaul—historical Cossack rank] Britvin, there is a secret, unbridled power struggle going on inside the Cossack community. Oath-taking ceremonies and community meetings are attended by anybody who feels like it, which goes against the Cossacks' laws. But members of the police and Committee for National Security and even women are not invited.

"This is disarray such as has never been seen since the Cossacks appeared," the captain complained.

Chief of Staff on Armed Forces Integration, NATO

LD1202115295 Almaty KAZAKHSTANSKAYA PRAVDA in Russian 10 Feb 95 p 1

[FBIS Translated Text] Prospects for cooperation: Interview with Alibek Hamidovich Kasymov, first deputy minister of defense and chief of the General Staff of the Armed Forces of the Republic of Kazakhstan, by Irina Bektiyarova of Interfax news agency, specially for KAZAKHSTANSKAYA PRAVDA.

[Bektiyarova] What importance do you attach to the recently-signed Kazakh-Russian documents?

[Kasymov] Both sides managed to make considerable progress. Our bilateral cooperation has acquired precise outlines for the foreseeable future.

[Bektiyarova] What spheres of technical military cooperation do the agreements touch on?

[Kasymov] Of the 17 documents signed in Moscow, eight concern military departments. Four of the agreements regulate the system for Russia's use of military ranges in Kazakhstan. Documents were signed on military transport between states and on cooperation in utilizing nuclear warheads.

The most important, to my mind, are the documents on the status of military formations on the territory of Kazakhstan and on the procedure by which citizens of one country can serve on the territory of the other. These remove internal tensions and uncertainty both among the Russian Federation units deployed on our territory and in the armed forces of Kazakhstan, in which a certain proportion of the officers are not citizens of the Republic of Kazakhstan, or are to state their intentions on this in the near future.

[Bektiyarova] Are there many citizens of Russia serving in our army?

[Kasymov] There are a fair number of Russian-speakers among the officers and non-commissioned officers, although at the moment it is hard to say how many of them are actually going to become citizens of Russia. That is why the agreement should eliminate their concerns about their future. We are letting people know quite clearly that a contract will be concluded for their term of service. Russia will recognize them as its citizens even after 31 December 1994, and will provide social security and other guarantees. People will have a chance not to lose their ties with the historic motherland.

[Bektiyarova] The joint declaration signed by the presidents of Kazakhstan and Russia stated that the countries "will begin to form unified armed forces." Could you talk about this in more detail?

[Kasymov] We used this wording to underline that as potential allies we shall move ahead together in order to create a common defense zone.

But unified armed forces are not the same as single armed forces on the Soviet Army model. This might intimidate some people because under such a unification the two countries may lose some of their sovereignty. Yet others might be pleased, because there would be an end to the state of suspension in which the army finds itself,

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and many issues could be eliminated automatically such as the leasing of military ranges.

We imagine that what it will mean is national armed forces which are unified according to certain principles, along the lines of either the Warsaw Pact or NATO. They will be integrated in order to ensure the security of both parties to the treaty. New relationships will naturally grow up in the areas of staff and troop training, joint planning on combat training, equipment and weapons supply, technical coordination of the weapons types that are in service, and interlinking of defense-industry enterprises; these relations would work in the interests of both Russia and Kazakhstan.

[Bektiyarova] Will this be a bilateral alliance? Or is it open to other countries?

[Kasymov] Yes, it will have certain rules. Any state which wishes to join it must undertake definite obligations.

[Bektiyarova] What specific obligations?

[Kasymov] Above all economic ones. Kazakhstan, Russia, and Belarus have created a customs union by adopting a single set of customs and currency rules. Military and technical cooperation will undoubtedly develop when economic and political zones exist.

Incidentally, I would like to note another important result of the Moscow meeting. We were able to abandon our mutual economic claims relating to ownership, which were impeding the process of integration. This problem has now been solved.

[Bektiyarova] Do you mean the problem of leasing military ranges?

[Kasymov] Above all the ownership dispute over the Baykonur space base, as well as Kazakhstan's debts for technical credits. Thanks to the will of both parties we can now work without the burden of debts to each other. It is necessary to find a common language and move ahead more swiftly.

[Bektiyarova] Alibek Hamidovich, will Russia use the military ranges on Kazakh territory without lease payments?

[Kasymov] We are striving for equal cooperation. We should become equal partners who trust each other on all matters. If we feel that the Russians have a reasonable understanding of our interests, especially when it comes to supplying us with equipment, weapons and spare parts, the question of a lease for the military ranges will fall away. Movement towards each other should be reciprocal. We are ready for this.

[Bektiyarova] Let's return to integration of the armed forces. What principles do you think unification should follow: should it be along the lines of the CIS Unified Armed Forces, the Warsaw Pact, or NATO?

[Kasymov] I find the NATO option most attractive. When I look at this subject in depth in the NATO context, I see how democratically the relations between these states are built, how highly every word and every obligation are valued, how equal their mutual relations are, and how much they respect each other.

I participated in the activity of the CIS Unified Armed Forces fairly often and saw how the work was conducted. That model is probably unsuitable for us given the fundamentally new relationship between Russia and Kazakhstan.

The Warsaw Pact system is the closest and best known to us. I think we shall make a choice.

[Bektiyarova] Is it currently envisioned that a single set of supranational bodies will be set up?

[Kasymov] I do not think creating a supranational command is all that relevant today. The best working body at this stage—and one which also entails no expenditure—is the committee of chiefs of staff (generals and commanders in chief). It will act on a temporary basis and will manage all the processes involved in our bilateral or tripartite cooperation. It is cheaper and more effective, at least at the initial stage.

[Bektiyarova] Do you reject a single command and commander in chief, such as Marshal Shaposhnikov was?

[Kasymov] We may arrive at a solution to this question, too.

When we realize that our integration and our relationship have become so multifaceted that the unified committee of chiefs of staff cannot cope with the increased volume of work, and if a need arises for the function of control, coordination and planning to be performed, then it is possible that we will have arrived at the point where we need such an institution. I consider that it is a reasonable form, but it is a matter for the future.

[Bektiyarova] Do you consider it necessary to unify the national armed forces in full?

[Kasymov] If we recall the principles behind the Warsaw Treaty Organization, then we know that the USSR Armed Forces were not part of the Warsaw Treaty Unified Armed Forces in their entirety, only in part. It is not yet clear how we will integrate. Maybe we will decide that complete unification is possible, or perhaps only unification of a certain proportion of the forces and resources. All this requires further study and consultation.

[Bektiyarova] Alibek Hamidovich, Kazakhstan is to submit a pact on peace and stability to the next meeting of CIS. What is the significance of this document?

[Kasymov] It is designed to make us take another look around us and realize that we all need peace and civil accord. I am sure the heads of states will sign it. We have been through too much violence, conflict and national

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grief recently. It is time to stop and realize that even a bad peace is better than a "good" war.

[Bektiyarova] The Chechen war has been going on for almost a month and a half now in Russia. How would you assess the action of the Russian Army?

[Kasymov] It is difficult to assess operations in Chechnya, because I am not familiar with the documents, I haven't seen the operation plan, and I don't know the details. However, I am sure that it has not been easy for either the other ranks or the officers.

But I would not judge the state of the Russian Armed Forces only by the results of the Chechen operation. I do not want to denigrate the combat potential and abilities of the Russian Army, although one has to admit that they were insufficiently prepared for such operations and all the factors were not taken into account sufficiently. It seems to me that the leadership of the Russian Federation Armed Forces should draw the necessary conclusions from this conflict, and I have no doubt they will do so. This applies both to reforming the army and to the other issues.

We should all learn the lesson and see that one needs to take a very serious attitude to questions of using troops. Above all, this applies to the country's political leadership and to those institutions which the constitution invests with the power right to use the armed forces. Every time they take such a decision they must weigh up all the pros and cons thoroughly. (endall) 10 feb giordano/wb 12/1209

Edict on Attracting Foreign Capital

954F1280A Almaty EKSPRESS-K in Russian 8 Feb 95 p 4

["Edict of the President of the Republic of Kazakhstan: On Measures To Increase the Efficiency of State Administration and Regulation of Processes of the Attraction of Foreign Capital to the Economy of the Republic of Kazakhstan"]

[FBIS Translated Text] For a further improvement in the organization of work on the attraction of foreign capital to the economy of the Republic of Kazakhstan and the assured efficiency of its use and the streamlining of the spheres of activity of the organs of state administration, banking establishments, and business entities in this field I resolve:

1. To accept the proposals of the Cabinet of Ministers of the Republic of Kazakhstan to the effect that:

a) the central organs of state administration and regulation in the sphere of the attraction of foreign capital to the economy of the Republic of Kazakhstan shall be:

the Ministry of Economics of the Republic of Kazakhstan—in the sphere of foreign investments, credit, and technical assistance;

the Ministry of Finance of the Republic of Kazakhstan—in the sphere of foreign financial assistance and administration of the foreign debt of the Republic of Kazakhstan;

b) borrowers on behalf of the Republic of Kazakhstan of foreign credit and loans obtained and guaranteed by the Republic of Kazakhstan and also agents for servicing this credit and these loans shall be:

the National Bank of the Republic of Kazakhstan—for the credit of international financial organizations and foreign states;

the State Development Bank of Kazakhstan—for medium-term and long-term credit;

the State Export-Import Bank of the Republic of Kazakhstan—for short-term and medium-term investment credit attracted from foreign financial and banking organizations of a similar type.

The said state banks shall be required to conduct their own expert evaluation of the efficiency and currency cost recovery of the projects.

2. The Cabinet of Ministers of the Republic of Kazakhstan shall:

specify the powers and functions of the National Agency for Foreign Investments under the Ministry of Economics;

implement measures to streamline the spheres of activity and further develop the State Development Bank of Kazakhstan and the State Export-Import Bank of the Republic of Kazakhstan for an increase in the efficiency of the attraction to the republic and use of foreign credit and loans;

draft and approve a statute on the organization of work on the attraction, use, and registration of foreign credit granted the Republic of Kazakhstan or on the strength of guarantees of the Republic of Kazakhstan;

draw up and present for approval to the president of the Republic of Kazakhstan before 1 April 1995 a state program of the attraction and use of foreign capital for structural transformations of the economy of the Republic of Kazakhstan.

3. Make revisions to the following acts of the president of the Republic of Kazakhstan:

to deem clause 5 of Edict No. 1066 of the president of the Republic of Kazakhstan of 11 January 1993 "On the Reorganization of the State Committee of the Republic of Kazakhstan for Economics" ("SAPP of the Republic of Kazakhstan," No. 1, 1993, article 7) to have lapsed;

to make clause 2 in Edict No. 1815 of the president of the Republic of Kazakhstan of 16 July 1994 "On the Creation of a State Export-Import Bank of the Republic of Kazakhstan" ("SAPP of the Republic of Kazakhstan," No. 32, 1994, article 350) read as follows:

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"That the State Export-Import Bank of the Republic of Kazakhstan shall be:

"a government financial and credit institution and shall be responsible for the efficient use of credit resources and the realization of the projects that it finances;

"the successor of the Alembank of Kazakhstan in respect to all international obligations ensuing from credit agreements signed on behalf and at the behest of the Government of the Republic of Kazakhstan";

to delete in paragraph six of clause 3 the words "long-term and";

to deem clause 4 to have lapsed;

to supplement subclause a) of clause 2 of Edict No. 1849 of the president of the Republic of Kazakhstan of 6 September 1994 "On the Creation of a State Development Bank of Kazakhstan" ("SAPP of the Republic of Kazakhstan," No. 37, 1994, article 399) after the word "making" the words "medium-term and".

4. To deem Decree No. 1607 of the president of the Republic of Kazakhstan of 20 March 1994 "On the Organization of Work on the Attraction, Use, and Registration of Foreign Credit Granted the Republic of Kazakhstan or on the Strength of Guarantees of the Republic of Kazakhstan" ("SAPP of the Republic of Kazakhstan, No. 14, 1994, article 132) to have lapsed.

5. This edict shall take effect the day it is published.

[Signed] N. Nazarbayev, president of the Republic of Kazakhstan

Almaty, 19 January 1995.

Republic Eximbank Manager on Use of Foreign Credits

954F1250A Almaty PANORAMA in Russian No 5, 4 Feb 95 pp 9-10

[Interview with Eximbank head Berlin Irishev by PANORAMA correspondent Alen Maulitov; place and date not given; under the rubric "Banks": "Berlin Irishev: Excessive Dosage or Wrong Usage of Foreign Loans May Harm the Republic"]

[FBIS Translated Text] [Maulitov] In PANORAMA No. 50—the 24 December 1994 issue—we published a list of projects financed by foreign credit. At the time we agreed, Berlin Kenzhetayevich, that you will comment in more detail on the information we published.

[Irishev] I see cooperation with the mass media as an important area of the work of Kazakhstan Eximbank, especially now that the questions of the attraction and use of foreign credit have come to the center of public attention in the republic.

The absence of practically any official information on the amounts of foreign loans made available to the republic, for what purposes they are being used, and the problems that exist in this sphere give rise to numerous conjectures and hasty conclusions. It is especially dangerous when such unobjective and distorted information ends up in newspapers and magazines. Such materials not only create an unhealthy atmosphere around foreign loans in the republic, but also cause direct harm, giving foreign analysts and our foreign partners—who, by the way, follow attentively all materials in the republic press—a distorted perception of the state of affairs in Kazakhstan.

For instance, there have been reports in the press that our state leaders are trying unsuccessfully to attract foreign credits (for instance, the article in ARGUMENTY I FAKTY on 4 January 1995). The situation is in fact quite different.

There is no problem of quantity as such altogether. As of 1 January 1995 credit agreements had been signed for a total amount of $1.34 billion. Eighty projects had been accepted for financing with foreign credit, totalling $1.286 billion. Financing has been initiated on 77 projects, and the remaining three are in the process of negotiations. Of this, $835.6 billion, or 63 percent of the available funds, have already been utilized.

Speaking of the qualitative side, almost all the largest countries in the world today are making their credit resources available for financing projects in Kazakhstan. Among them are the United States, Japan, Germany, the European Union, France, Great Britain, Canada, Austria, and others. Some of them—for instance, the Austrian and U.S. credit lines—do not have a ceiling, that is, they are unlimited. This alone speaks of the West's great confidence in Kazakhstan.

I would like to take advantage of this opportunity to express my position on this important issue. In the financial situation we are currently in, the republic's internal investment capabilities are currently limited. Due to chronic nonpayments, inflation, and the rising cost of production factors, enterprises do not have their own sources of not only investment but even replenishment of working capital. Problems with payments to the budget have resulted in state investment funds' resources also becoming insignificant. High interest rates on credit resources of local banks make it impossible to use them for production purposes. In these conditions, foreign credit becomes a real source of structural restructuring in the economy.

Direct foreign investment is undoubtedly good for the republic. We have, however, to look at the situation realistically: Foreign investors are interested first and foremost in cheap raw materials and so, naturally, the flow of direct investment goes first and foremost into the oil and mining sectors of the economy, while foreign credit permits the importation of equipment and machinery, technologies, and agricultural machinery needed by the republic, as well as of socially important goods for all sectors. In terms of importance I would

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place foreign credit on a par with such natural riches of ours as oil, copper, gold, and so on, because only with the help of financial resources, only by investing capital, can we get a real return on our natural resources and our export potential. Kazakhstan needs foreign credit, but this borrowing and the use of this credit must meet the interests of the state. By taking loans and credit today, our leadership assumes great responsibility, since all this money will have to be repaid in the future with interest, and thus must be used with the greatest effectiveness and benefit for the republic.

Also, attraction of foreign credit must be carried out within the framework of the general strategy of the republic's external borrowing and not worsen its position with respect to foreign debt. Our bank has been working and is working on attracting financial resources at terms most beneficial for us.

Therefore, I believe that publishing objective information on all issues involving foreign credit made available to Kazakhstan, and the activities of Kazakhstan Eximbank, is greatly needed, and I want to once again thank the PANORAMA editors for their desire to work together on such an important issue.

The list published by your newspaper enumerates projects financed by foreign banks within foreign credit lines opened under the guarantee of the Republic of Kazakhstan. The decision to include a project in a credit line was made by the government on the basis of proposals of the Ministry of Economics (on investment projects) and the Ministry of Foreign Economic Relations (on commodity purchase projects). Naturally, the project was accepted by the bank for servicing only after the relevant document was issued.

This list provides an answer to many important questions. Of the 80 projects, 61 are investment projects, that is, include deliveries of equipment and technologies for priority industry sectors (power generation, nonferrous metallurgy, the coal industry, machine building and metalworking, the construction materials industry, and production of consumer goods); purchases of agricultural equipment and spare parts; construction of infrastructure projects; and purchases of means of transportation and equipment for the development of telephone networks, as well as medical equipment. Nineteen projects entail purchases of pharmaceuticals, consumer goods, as well as production inventory for industrial enterprises (raw materials, components, componentry, and spare parts). Only three projects are short term (with repayment period of up to two years); the rest of the credit is medium term (with repayment period of up to 10 years).

Thus, $1.095 trillion was brought in for investment purposes, or 85 percent of all credit resources. The remaining 15 percent of credit went for commodity purchases.

Today we can already see the results of implementation of some of the projects: Buses purchased with the Turkish credit line have appeared on the streets of Almaty; passenger trains with comfortable German railcars are rolling along Kazakhstan's railroads; construction of two international-class hotels in Almaty is at completion stage, which will enable us to solve the problem of shortage of hotel space and earn substantial profit from their exploitation; in a number of oblasts telephone networks have been modernized and expanded. We have to keep in mind, however, that most projects have an implementation term calling for reaching design capacity in five to seven years. Correspondingly, we will see the effect of these projects in the future. Among such projects I can mention purchases of equipment for production of enamel wire, which will enable us to export, instead of raw material, a more finished product that is in stable demand in the world market, and hence receive higher return from export; projects involving setting up production of equipment for the republic's agricultural sector; the project of modernization of a thermal-electric power station; purchases of equipment for production of construction materials and consumer goods whose quality meets international standards—for sale on both the domestic and foreign markets; and others.

Those who criticize the republic's current leadership for "excessive addiction" to foreign credit apparently miss the point that the effect of these credits will accrue in the future. Today we cannot achieve stabilization and increase production without external credits. I hope that foreign credits will become an important factor in the republic's economic recovery, and within the next few years we will see their positive effect on Kazakhstan's economy and the correctness of the decisions the government has made.

[Maulitov] You mentioned Kazakhstan's foreign debt. There is the opinion that the republic's foreign debt has reached a critical point and our children will be unable to pay for our current credit and loans. What is your opinion?

[Irishev] There is nothing threatening currently in the republic's foreign debt position, and I can prove it with factual data. As of the end of 1994 Kazakhstan's direct foreign debt amounted to about $2.5 billion, or $145 per capita. This equals only one-quarter of the republic's gross domestic product and 60 percent of the republic's annual exports. The norm for the annual servicing of foreign debt is 29 percent of the annual export level—in principle we are within international limits. In the structure of Kazakhstan's foreign debt, foreign credit we service amounts to $1.2 billion, or about one half of the total.

For comparison, let me give you some indicators for other countries according to the data of the reference book "Die Weltbin in Zahlen" published in Germany in October 1994. Hungary's foreign debt amounts to $24.8 billion, or $2,500 per capita, and comprises 68 percent of its GDP and 217 percent of its annual export. The norm for servicing foreign debt is 33 percent of annual export.

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Nevertheless, this country has a stable credit rating, since it repays all its debt on time and continues to gain foreign credit and loans. Mexico's foreign debt amounts to $153.5 billion, or $1,700. The norm of foreign debt service is 36.4 percent. Indonesia's foreign debt is $95.6 billion, or $491. The norm of foreign debt service is 29.8 percent; Turkey—$67.4 billion, or $1,100, the norm of foreign debt service is 28.8 percent with annual export of $27.5 billion.

Thus, Kazakhstan's foreign debt is relatively small. The problem is different—credit has to be repaid on time. Even with a minimal foreign debt the country will not be able to gain credit if it allows defaults—nonpayments. We also have to keep in mind that if we allow defaults, we increase the amount to be repaid, that is, our debt servicing costs increase unjustifiably.

[Maulitov] From the published list we can see that we fell behind in payments on quite a substantial number of projects. Could you explain this situation in more detail?

[Irishev] The nonpayment problem is among the most burning issues for us today. We are currently still in arrears in paying foreign banks, which has a very negative impact on Kazakhstan's credit rating and causes concern among our foreign partners.

Practically all payments on 1994 obligations that should have been made out of the republic budget have been made. Some of our enterprises, which were supposed to repay debts out of their own funds, however, are still in arrears. I will name these enterprises: PO [industrial association] Fosfor, Pavlodar Tractor Plant, Kazzheldorsnab, MEF [expansion unknown] Elimay, NTO [science and technology association] Pribor Almatroniks, Turan Agro, ASNTA, GKKh [city municipal services] Akzhol, NAK [national joint-stock company] Kaztelekom, SP [joint venture] Aygerim, and North Kazakhstan PO of Bakery Products.

As a result of defaults, some countries tightened their credit terms and raised the size of the downpayment and insurance premiums. An extremely serious situation is developing, and the management of borrower enterprises must understand it.

Currently our bank, together with the Ministry of Finance and State Financial Inspectorate, is determining the concrete causes of borrowers' insolvency on site, at enterprises. Some materials will be presented to the government, which will make decisions on this matter.

[Maulitov] In your opinion, what is the reason that the borrowers cannot fulfill the obligations they undertook?

[Irishev] The instances of default tell us that before the government made its decisions, the projects had not been sufficiently appraised in terms of their foreign currency payoff and domestic borrower's solvency. There are causes of both an objective and subjective nature at play here. I would name specifically the following main reasons.

First, the worsening of the general economic situation in the republic, production decline, the developed nonpayment crisis, and inflation, which put borrower enterprises in a difficult situation. The imposition of measures of stabilization of monetary policy—compulsory sale of 50 percent of enterprises' foreign currency proceeds, abolishing oblast administrations' foreign currency funds, and directing republic enterprises' earnings into repayment of debts for deliveries from other CIS countries—having, on one hand, produced a positive effect on the general economic recovery, stabilization of the tenge exchange rate, and resolution of urgent tasks in the republic, on the other hand resulted in a problem with respect to foreign debt repayment.

Second, legal instability; the uncoordinated and half-baked nature of decisions made; the lack of mechanisms for transfer of obligations results in earlier project estimates becoming invalid, and a situation frequently arises where there is simply no one to repay the debt because of reorganization of enterprises. Right now, for instance, this problem has arisen in connection with GAK [state joint-stock company] Tagam's reorganization. There is a default on the project of acquisition of technology for sugar beet growing, and replacement of a specific borrower is being requested, which we consider unjustified.

Third, ministries and agencies' proposals for including projects in credit lines were insufficiently substantiated from the standpoint of their foreign currency payoff and the domestic borrower's solvency. Quite frequently actual financing was held up because the borrower did not have the money to make a downpayment, pay the insurance premium, and pay other costs associated with processing and receipt of the credit. A banking expert's evaluation was considered superfluous in making a decision on including the project in the credit line.

Fourth, credit was issued to state enterprises whose managers in the inertia of the old mentality believed that the state would write off all the debt. The enterprise head is not personally liable for repayment of the debt.

Fifth, quite often problems arose with financing the project in tenge when foreign currency financing had already commenced. As a result, the project schedule was derailed, and hence, the expected return did not materialize.

To a considerable extent this is a result of lack of experience of working with foreign capital in Kazakhstan in the first years after declaring independence. The procedure for evaluation and selection of projects and decisionmaking on their financing developed gradually and improved as we accumulated experience in working with foreign credit and trained personnel qualified to conduct expert evaluation of projects and credit agreements in keeping with international requirements.

I think that with the issuance on 19 January 1995 of the presidential edict "On Measures To Increase the Effectiveness of State Administration and Regulation of the Process of Attracting Foreign Capital Into the Economy

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of the Republic of Kazakhstan," the situation with future projects will change for the better.

The decree reflected our position that banks have an obligation to conduct their own expert evaluation of the project's effectiveness and foreign currency payoff. The bank has a vital interest in having the debt repaid on time, since its own capital and reputation are at stake, so naturally it will not allow financing of projects that are questionable from the standpoint of repayment and without a reliable guarantee base.

[Maulitov] Could you tell us in more detail about the purposes and tasks of a bank evaluation?

[Irishev] Bank evaluation includes three types of evaluation. Evaluation and selection of projects, evaluation of credit agreements, and legal evaluation. The purpose of a bank evaluation is to include in credit lines those projects that will pay off in foreign currency, projects with a highly reliable guarantee base, as well as determining the balance of risk between exporters and importers, creditors and borrowers.

During the first phase, investment projects and commodity purchases are evaluated. At this stage the bank determines in principle the feasibility and expediency of their implementation. The most important criteria are: economic expediency; technical feasibility; commercial effectiveness; financial profitability; financial situation of the borrower; legal support for the project; and environmental safety. As a result, an expert opinion is prepared, which contains a comprehensive evaluation of the project in a standard form, the project's main merits and advantages, the project's main drawbacks, and the principal conclusion on the project.

In considering the project the bank takes into account the depth of technical-economic substantiation, the degree of the project's completion, the conclusions of sectoral ministries and oblast administrations, the Ministry of Economics' conclusion, the conclusions of ecological and construction evaluations, the conclusions of the scientific-technical evaluation, the conclusions of the international expert evaluation (when necessary), the results of an on-site inspection, and the legal conclusion.

For some projects an international evaluation may be done. The effectiveness of such an evaluation is evidenced by the following examples: An independent international expert evaluation of the PO Balkhashmed project enabled us to reduce the contract cost by $2 million, as well as to include the equipment exporter's responsibility for exporting to foreign markets the Kazakhstan enterprise's new products (buy-back agreement). An independent international expert evaluation of the project for construction of the five-star Marco Polo Palace Hotel resulted in a considerable reduction of the contract cost.

Evaluation of credit agreements is conducted in two phases: the preliminary evaluation—before the issuance of the government decision on the basis of the letter of application from the creditor bank describing the terms of credit offered, which results in determination of the feasibility and expediency of taking the credit in general; the financial indicators of the creditor bank are studied, and the basis for repayment of funds is analyzed; and then the main evaluation, after the government's decision is issued, which includes a comprehensive evaluation of the credit agreement's concrete terms; proposals are drafted for changes and additions to the draft credit agreement, to be discussed at the negotiations preceding its signing.

The legal evaluation of draft contracts and credit agreements is done with the purpose of determining their conformity with the current laws of the Republic of Kazakhstan and international law, as well as the extent of support by the guarantee base of repayment (including collateral). The Kazakhstan Eximbank actively involves and cooperates with leading foreign banks and export-credit agencies, companies, and insurance agencies in conducting international expert evaluation of projects and credit agreements.

[Maulitov] The press now frequently mentions that Kazakhstani enterprises are offered technologies and equipment that are far from the most advanced because there is no competition involved in the selection of suppliers of equipment and technologies. There is also mention of credit being used for purposes other than intended. What can you say in this respect?

[Irishev] I will start with the answer to the last question. Because of the specificities of international export credit and strict control on the part of the creditor, using credit resources for purposes other than intended is not possible. The creditor bank finances concrete export deliveries and checks that the products shipped (services rendered) correspond to contract specifications. The real money is transferred to the exporter account only after the goods are shipped, bypassing the borrower bank's account. The importer and the borrower do not get foreign currency transferred to their accounts and cannot use it for other purposes, since they only receive equipment, technologies, and other products (services).

As to your question regarding the quality of imported equipment and technologies, it is true that the choice in this respect has not always been the best. This is associated with the absence of competitive selection of foreign partners at the first stage of working with foreign credits. The contract was signed with the partner who offered services in delivering the goods (equipment).

In this situation the bank can only be responsible for the terms of the credit provided (credit agreements), while the importer and sectoral ministries are responsible for the selection of suppliers (exporters). Thus, the bank unfortunately does not participate in decisionmaking regarding exporters. As a result, contracts are sometimes signed with unknown partners or small middlemen.

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Since the issuance of the 20 March 1994 presidential edict, serious attention in project evaluation is being paid to foreign partner selection, the extent to which the product he offers meets modern technological and technical standards, and the justifiability of the asking price. In addition, I would like to note that as a rule there is linkage involved in export credit issued on the guarantee of the Republic of Kazakhstan, that is, this credit finances export of the creditor country. Thus, a tender may be announced only among the companies of the creditor country. The OECD (Organization for International Development and Cooperation) [as published] rules and the linkage to the credit of an insurance company of the creditor country result in the similarity of credit terms of all creditor banks of the creditor country (the difference in the terms of credit is insignificant). However, the bank has been conducting and continues to conduct comparative analysis of credit terms offered by different creditor banks and selects the best and most appropriate for the project.

Introducing bidding among exporters enables us to achieve the best contract terms and select the product that most fully meets the interests of Kazakhstan enterprises. Therefore, in the past Kazakhstan Alembank, now Eximbank, consistently took the position of holding public bidding (tender) in selecting foreign partners. Kazakhstan Eximbank insisted on holding a bidding among suppliers (exporters) for the project of import of agricultural machinery and technologies, equipment for industrial enterprises, and so on.

[Maulitov] You went into considerable detail in describing the situation with respect to the attraction and use of foreign credit in the past. What is the situation today with respect to the attraction and use of foreign credit? You mentioned the new presidential edict several times. Could you tell us about it in more detail?

[Irishev] The 19 January 1995 presidential edict "On Measures To Increase the Effectiveness of State Administration and Regulation of the Process of Attracting Foreign Capital Into the Economy of the Republic of Kazakhstan" was issued as a follow-up on the new law on foreign investment adopted in December 1994. This edict enables us to remove many shortcomings and uncertainties that existed in the past in the work with foreign aid and foreign credit. In particular, it lists specific banks authorized to borrow on behalf of the Republic of Kazakhstan Government and agents in servicing foreign credit and loans; it introduces mandatory bank evaluation of the project.

The edict formulates the main functions of the organs of state administration and banks in the sphere of attraction and use of foreign investment. In keeping with the edict, Eximbank is a borrower and agent in servicing short-term and medium-term investment credit attracted from foreign financial and banking organizations of a similar type (that is, export-import banks and export-credit agencies of other countries).

Since the new statute on the procedures of organizing work in the area of attraction and use of foreign credit provided to the Republic of Kazakhstan and under the Republic of Kazakhstan's guarantees is still being worked on, I consider it premature to make any comment on this subject. I would only like to note that in these matters it is necessary to take into account the opinion of Western creditors and insurance agencies. I must point out that the insurance companies Hermes (Germany), Cofage (France), OKV (Austria), and U.S. and Japanese eximbanks attentively study all our legal documents and hold consultations among themselves. In short, a very careful and delicate approach is needed in making decisions that may affect relations with creditor countries and Kazakhstan's credit rating.

[Maulitov] Which credits are considered medium term?

[Irishev] Classification of credit by repayment terms is set forth in a number of documents; therefore I believe that we have complete clarity in this matter. The law on foreign investment (Article 6, Point 1) defines that credits with a repayment term of more than 10 years are considered long term. The same criterion is applied in international practice. In keeping with the latest decision of OECD (Organization for International Development and Cooperation) [as published] member countries, dated 6 July 1994 and effective 30 September 1994, for CIS countries credit with repayment term of up to 10 years is considered medium term.

[Maulitov] In conclusion, please tell us about Eximbank activities.

[Irishev] Kazakhstan Eximbank was created very recently, but it is actively engaged in operations and is actively building a stable image abroad. Among its assets are highly skilled personnel and experience in working with foreign credit lines and in the area of project evaluation, since it has brought together under its roof the best specialists from Alembank and the National Agency for Foreign Investment. Of the 58 specialists working in the bank today, one in five is a candidate of science, one in four graduated with honors, one in three speaks a foreign language, and one in two has gone through an internship abroad. More than 80 percent of the specialists are under 40.

The bank currently is conducting negotiations on obtaining new medium-term credits under Eximbank's own guarantees. We have a preliminary agreement with the largest Swiss banks—UBS and Credit Suisse.

Together with the Morgan Grenfell bank, the Eximbank recently won a European Bank for Reconstruction and Development tender to be an authorized financial agent in the implementation of large-scale privatization of Kazakhstan's gold deposits. This project envisages attraction of foreign investment. There was a report on it in THE FINANCIAL TIMES.

The bank is currently conducting evaluation of 112 projects. The evaluation results will be submitted to the

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government to be used in making decisions on inclusion on the list of priority projects. The Eximbank is also currently involved in joint missions of UN agencies, the European Bank for Reconstruction and Development, and the Asian Development Bank on the problems of support for Kazakhstani enterprises that form the core of a town.

The Eximbank conducted a seminar for clients, with the participation of representatives of international organizations, at which it explained the conditions of attracting foreign credit, project and credit agreement evaluation procedures, as well as borrower responsibility. Among the seminar participants were representatives of 39 banks, enterprises, ministries, and agencies, including five foreign ones. The bank intends to make such seminars a regular event. We are planning to hold the next seminar on the question of export support and the investment climate in Kazakhstan in May-June of this year.

I would like to invite all our commercial banks and enterprises interested in attracting foreign credit to work with us. We are ready to support any project that will help increase Kazakhstan's export potential.

Concluding our conversation, I would like to answer your main question: Is foreign credit a boon or an evil for Kazakhstan? I would compare foreign credit with medicine for the republic economy: Excessive dosage or incorrect usage may turn it into an evil and cause harm. However, effective use of foreign credit may become precisely the factor that will enable our economy to restore production, overcome the crisis, and get onto the road of stable economic growth.

Kyrgyzstan

Deputy Foreign Minister on Relations With Russia, CIS

LD1102120395 Bishkek V KONTSE NEDELI in Russian 4 Feb 95 p 8

[FBIS Translated Excerpt] A whole range of bilateral relations between Kyrgyzstan and Russia will be under consideration during the coming visit of Russian Deputy Foreign Minister A. Panov to Bishkek. Intense preparation of all the necessary documents is currently going on.

Our correspondent met with Kyrgyz Deputy Foreign Minister Alikbek Dzhekshenkulov:

[Correspondent] How would you describe the present Kyrgyz-Russian relations?

[Dzhekshenkulov] They are fairly dynamic. Both sides are interested in close friendly relations which is determined by our history and traditional economic, cultural, and scientific ties as well.

Unfortunately, in recent years there have been losses too. Mostly this is explained by the quick, I would say, swift and unexpected for many, collapse of the Soviet Union. All the citizens of a single huge state woke up one day as citizens of different countries. And the former Soviet republics, having gained their independence, for some time literally relished their freedom. And in this understandable condition of euphoria they somehow forgot about real people. On this wave, some ill-considered and badly-prepared laws were adopted and the outflow from the republics of able-bodied people and highly qualified specialists in many different spheres began. It became clear that this abnormal situation must be reformed.

[Correspondent] Probably all of us now realize that some of the laws which were adopted need correcting?

[Dzhekshenkulov] That is why we are preparing agreements on various items: on cultural and scientific cooperation between Kyrgyzstan and Russia, on the main principles for the creation of joint financial and industrial groups, on the regulations of problems of citizenship, the protection of the rights of migrants, the establishment and activities of information and cultural centers, and on the establishment of a customs union. Of course, this is not a full list, but all the issues, we hope, will be resolved in a spirit of good will and mutual understanding.

Incidentally, our ministry has good contacts with the Russian Embassy. Twice recently Ambassador M. Romanov visited the Foreign Ministry with all his services. It is easy for us to find a common language.

[Correspondent] Russia and Kazakhstan recently signed important agreements, thus greatly stimulating the integration process further. And specialists and political scientists have again begun to speak about the idea of the Eurasian Union, put forward by Kazakhstan's President Nursultan Nazarbayev.

[Dzhekshenkulov] Of course we are happy with such developments in the relations of Russia and Kazakhstan. All of us, the former inhabitants of a single Union, are united by many things and this is what should determine the policy of the leaders. Once again: Such relations are the cornerstone of our foreign policy, especially towards the CIS countries.

And as for the Eurasian Union, [President] Askar Akayevich [Akayev] was the first CIS president to support Nazarbayev's idea.

[Correspondent] Some newspapers have reproached Kyrgyzstan's Foreign Ministry for not issuing a special statement about events in Chechnya.

[Dzhekshenkulov] Throughout the world there is a definite order: The Foreign Ministry is not obliged to issue a press statement. In most cases we use diplomatic channels and our offices abroad and foreign embassies in Bishkek to express our position.

Our position from the very beginning was clear: It is the internal affair of Russia. Of course, we cannot remain untroubled by war and deaths, especially of civilians. We expressed our concern and at the same time our hope that the situation will be settled by political means.

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[Correspondent] Since we have started talking about hot spots, we cannot avoid Tajikistan.

[Dzhekshenkulov] I visited Dushanbe recently as part of a delegation headed by Deputy Prime Minister Ibraimov. We reached agreement on most issues concerning bilateral relations, but some problems remain unsolved. First of all, the problems of land use in border regions. But the negotiations will continue and we hope that mutually suitable solutions will be found.

The situation in Tajikistan, of course, is very complicated. We are worried about the situation on the Tajik-Afghan border. The acute problems do not pass our country by: the drugs business, refugees, the condition of the Kyrgyz diaspora in Tajikistan. The Foreign Ministry is permanently monitoring the progress of events and informing the country's leadership about them. [passage omitted]

Russia Reportedly Halts Radio Liberty Rebroadcasts

LD1002130095 Bishkek VECHERNIY BISHKEK in Russian 7 Feb 95 p1

[FBIS Translated Text] Short wave is longer than medium wave. Since 31 January the programs of Radio Liberty in Russian and Kyrgyz have disappeared from the air on medium wave and VHF.

The Communications Ministry is unable say anything definite about what has happened. Maybe it is simply due to technical difficulties. Because first of all programs are received in the space communication center in the town of Gus-Khrustalniy, located near Moscow, and then are rebroadcast throughout the territory of the former Soviet Union, including Kyrgyzstan.

But there are suspicions that this case has a political tinge. Probably Moscow does not like the broadcasts of Radio Liberty, which does not approve the actions of the Russian authorities in Chechnya. And so they decided, as they say, to turn off the tap.

However, you can hear their broadcasts on short wave.

Tajikistan

Opposition Official on Russia's Role in Peace Process

LD1002214695 Moscow INTERFAX in English 1739 GMT 10 Feb 95

[From the "Presidential Bulletin" feature: by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] Akbar Turadzhonzoda, deputy chairman of the opposition Islamic Renaissance Movement of Tajikistan, said on Thursday [9 February] that the movement was ready to meet Tajik government representatives in Moscow for a fourth round of talks if the Tajik and Russian governments "abandon their transgressions."

If that happens, "we are ready to come to Moscow the very next day," Turadzhonzoda told Interfax in an exclusive interview.

IF Note: Tajik government and opposition representatives, at their third round of negotiations, held in Islamabad, Pakistan, between October 20 and November 1, agreed to have the next meeting in Moscow in December, but then the date was moved to January 15. Later on the opposition refused to come to Moscow, accusing the Tajik and Russian leaderships of breaking earlier accords.

Turadzhonzoda complained that the Russian border guard force posted along the Tajik-Afghan border did not recognize the temporary cease-fire on the border and within the republic signed between the opposition and government in Tehran on September 17. He cited a statement by border guard force commander Anatoly Chechulin that the truce agreement runs against a Russo-Tajik treaty on the joint protection of the border.

The Islamic Renaissance Movement also demands that the Russian army remove its posts from the road between Kalaikhum and Khorog, center of Gorno-Badakhshan, an autonomous region in eastern Tajikistan, that it give back arms confiscated from opposition depots in Gorno-Badakhshan, and that the Tajik government withdraw troops it sent to Gorno-Badakhshan, for the cease-fire agreement bans troop movements and military exercises while it remains in effect, Turadzhonzoda said.

Having a fourth round of talks when agreements reached at the preceding three are being disregarded means "marking time," he said.

Yet "there is no alternative to the nonviolent settlement of the internal Tajik conflict, and a great role in the work to resolve it goes to Russia," he said. At the same time, there are today influential figures in the Russian leadership who advocate the use of force as the only solution, something that "does not always lead to quick and positive results." said.

"The longer the conflict in Tajikistan lasts the more difficult it will be to stop it and the greater damage will be done not only to the republic and the Central Asian region but to Russia itself as well," Turadzhonzoda said.

Four Russian Soldiers Killed in Tajikistan

LD1102082995 Moscow ITAR-TASS in English 0619 GMT 11 Feb 95

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Transcribed Text] Dushanbe February 11 TASS—Four Russian soldiers were killed in the Central Asian

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Republic of Tajikistan over the past two days, TASS learned from the Tajik Interior Ministry on Saturday [11 February].

On Friday evening two soldiers from the Russian peacekeeping 201st Division were shot dead point blank by unknown gunmen in the Tajik capital of Dushanbe. The bodies of Sergeant Aleksandr Kalinin and Private Sergey Gurtik were found in a residential district.

On Thursday two Russian border guards from the Moskovskiy detachment were found dead by police on the Dushanbe-Nurek road, some 40 kilometres south-east of the Tajik capital.

Police said they were shot dead while driving a "Zhiguli" car which belonged to one of the border guards and which was found several dozen kilometres away from the site of the accident.

The Tajik Interior Ministry refused to give any comments on the murders.

Since 1994 over 10 Russian servicemen were killed in Tajikistan by criminals. So far local police failed to find any of the assassins.

Four Kazakh Servicemen Die While Mining Border Area

LD1302052695 Moscow ITAR-TASS World Service in Russian 0458 GMT 13 Feb 95

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Translated Text] Dushanbe, 13 Feb—Four servicemen belonging to the Kazakhstan battalion guarding the Pamir sector of the Tajik-Afghan frontier died on the evening of 12 February while mining the approaches to a frontier post on a sector of the Kala-Ikhum frontier detachment, the ITAR-TASS correspondent learned from the press center of the command of Russian frontier troops in Tajikistan today. The press center said that an official investigation into the tragic incident was under way.

Official on 'Positive Effects' of Iranian Revolution

LD1102151795 Tehran IRNA in English 1348 GMT 11 Feb 95

[FBIS Transcribed Text] Dushanbe, Feb. 11, IRNA—Tajik Vice-Premier Aqel 'Aqelov [name as received] here Friday [10 February] praised the role of the Islamic Republic of Iran in solving the regional crises such as the political crisis in his country. Speaking at a ceremony in Dushanbe on Friday marking the 16th anniversary of the triumph of the Islamic revolution, 'Aqelov underlined that the Islamic revolution brought about valuable political, economic and social developments and had many positive effects on the peoples and the policies of the regional countries. Calling the victory of the Islamic revolution as the start of self-reliance and sovereignty of Iranian people, 'Aqelov expressed the congratulation of his government on the occasion of the 16th anniversary of the victory of the Islamic revolution to the Iranian Government and nation.

Present at the ceremony were also Iranian ambassador to Tajikistan 'Ali Ashraf Mojtahed-Shabestari, many Tajik cultural, scientific, political and military high ranking officials and foreign ambassadors to Dushanbe.

At the ceremony Mojtahed-Shabestari described the political and economic achievements of the Islamic revolution. Mojtahed-Shabestari briefed the policy of the Islamic Republic of Iran as the removal of tension in the Central Asian region as well as establishment of the stability in Tajikistan. He said that the continuation of the political negotiations between Tajik Government and its oponents is the only way to settle the Tajikistan's crisis.

IMF Supports Decision on National Currency

LD1002144795 Dushanbe KHOVAR in Russian 1058 GMT 10 Feb 95

[FBIS Translated Text] The International Monetary Fund supports Tajikistan's decision on introducing a national currency.

Isayas Castillo, the head of the IMF mission, said this on 9 February during his meeting with Tajik Deputy Prime Minister Mahmadsaid Ubaydulloyev.

Taking into account the economic and social features of the young sovereign republic, the IMF has developed a package of documents containing recommendations on the most rational methods for bringing the national currency into circulation.

The heads of the mission note that the most complicated aspect in the preparation period is satiating the internal market with foodstuffs and essential goods.

It is proposed to pay off internal holdings and assets, not given as wages to the republic's citizens, partially by issuing privatization checks. This will also be one of the ways of implementing the state privatization program.

It is proposed to reduce international barter transactions and to expand trade for cash, which will allow Tajikistan to create and consolidate its own hard currency fund. The leaders and members of the IMF are planning further business trips to Tajikistan.

Finance Minister Anvarsho Muzaffarov, Matlubkhon Davlatov, the chairman of the State Property Committee, and the National Bank Chairman Murodali Alimardonov were present at the meeting.

Total of 399 Candidates Running for Elections

LD1202173495 Moscow INTERFAX in English 1403 GMT 12 Feb 95

[FBIS Transcribed Text] DUSHANBE, Feb 12 (Interfax)—Total of 399 candidates are running for 181 seats

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in the new Tajik parliament, Head of the Tajik Central Election Commission Kholmurod Sharipov told Interfax on Saturday [11 February].

The parliamentary elections in Tajikistan are expected to take place on February 26. The last day for registration of candidates was February 5. More than 4.6 billion rubles were assigned from the state budget for the election campaign.

Sharipov said two-three candidates at a time were running for the parliamentary elections in the majority of the constituencies in the republic. From five to seven candidates at a time are running for parliamentary elections in the Khatlon Region and Dushanbe (South Tajikistan). Many constituencies in North Tajikistan will have only one candidate as well as the Leninabad Region. The Tajik four legal political parties (the Communist Party, the Party of People's Unity, the People's Party and the Party for Economic and Political Renewal) have put forward 31 candidates, most of the from the Communist Party and the Party for Economic and Political Renewal.

Sharipov said the four parties had been also promoting their candidates through working collectives.

Sharipov said more than 60 percent of candidates had been proposed by working collectives. The age of candidates varies from 30 to 50 years. There are 17 women among them. More than 15 candidates are former parliamentarians.

The majority of candidates are Tajik. However, there also representatives of other peoples living in Tajikistan, Sharipov said.

Several international organizations have recommended that the Tajik leaders postpone the elections for a later date in order to get more parties and movements involved, including the opposition. However, Dushanbe has not reacted to the proposal.

Dushanbe has already invited international observers to take part in the elections.

Turkmenistan

UN, UNICEF Officials Brief President

LD1202171695 Ashgabat TURKMEN PRESS in Russian 1152 GMT 11 Feb 95

[By TURKMEN PRESS correspondent K. Ballyyev]

[FBIS Translated Text] Ashgabat, 11 Feb (TURKMEN PRESS)—Today, the President of Turkmenistan Saparmurad Turkmenbashy [Niyazov], received Omar Ertur, the United Nation's coordinator on Turkmenistan and permanent representative of the UN development program for Turkmenistan, and Ekrem Birerdinc, the regional representative of UNICEF [UN Children's Fund].

Ertur voiced satisfaction with having taken up the honorable post of UN permanent representative in Turkmenistan. He dwelled in detail on the measures that the international organization hopes to implement in the country. The honored guest underlined that the authority of independent Turkmenistan and of its head, Saparmurad Turkmenbashy, is growing in various countries of the world and among international organizations. The steps that Turkmenistan has taken as a UN member are the best guarantee that its independence will be strengthened.

Ertur stated that from the very first days of his work he will start on a number of major measures to protect and restore ancient monuments and preserve valuable archaeological finds. He also familiarized the Turkmen head of state with UN projects for training civil service heads.

For his part, UNICEF representative Ekrem Birerdinc told Saparmurad Turkmenbashy about areas for cooperation between UNICEF and Turkmenistan. This cooperation will be further developed by an agreement signed by UNICEF and Turkmenistan. On the basis of this agreement it is planned that Turkmenistan will be given comprehensive assistance in solving problems of social protection for children. UNICEF's executive committee is currently examining a proposal from its Turkmen branch on assigning Turkmenistan $26.5 million to implement the program.

President Saparmurad Turkmenbashy of Turkmenistan placed particular emphasis on the fact that all the conditions are to be created for authoritative international organizations to carry out their work in line with current demands. The head of state expressed gratitude to the guest for their assistance in establishing mutually beneficial cooperation with Turkmenistan, and wished them success in work.

Britain Opens Credit Line To Support Economic Reforms

LD0902214995 Moscow INTERFAX in English 1922 GMT 9 Feb 95

[FBIS Transcribed Text] ASHGABAT, Feb 9 (FIA-Interfax)—Britain will open the first credit line for Turkmenistan in 1995 in order to support the governmental program for economic reforms in the ex-Soviet republic.

Well-known sources in the Turkmen government told Interfax's Financial Information Agency that the preliminary agreement on Britain granting credits to Turkmenistan had been achieved during the talks between British Deputy Energy Secretary Tim Eggar and Turkmen President Saparmurad Niyazov. Eggar was in Turkmenistan on a working visit on February 6-9.

Sources in the Turkmen government said that the credit line's amount and the terms had not yet been finally defined. The amount of credits will depend on the

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number and cost of specific projects proposed by the Turkmen government as objects for crediting.

The same sources said that the Turkmen government planned to receive credits for building a factory printing money and securities and developing the energy and gas processing industries.

In accordance with the bilateral agreement, Turkmenistan will have to finance 15 percent of the cost of each project itself. The remaining cost will be paid from British credits.

Uzbekistan

Karimov Addresses Cabinet of Ministers

LD0902204595 Moscow INTERFAX in English 1805 GMT 9 Feb 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] Uzbekistan can be proud of the results of the previous year which testify to the fact that the republic has reached successes in many fields, declared President Islam Karimov. On Wednesday [8 February] in Tashkent, he addressed sitting of the Cabinet of Ministers which discussed course of economic reforms in Uzbekistan in 1994.

As Karimov asserted, "Uzbekistan has occupied leading position among CIS countries in many aspects." He believes that "a well balanced and well thought-out approach of the republic's leadership regarding solution of economic problems, including channeling of major currency credit to develop basic enterprises, has promoted this process." Karimov said that as of today the republic has invested more than $500 million for these purposes.

Speaking about social issues, Karimov underlined that "if there occur positive changes in this sphere then success of reforms in other fields will be ensured."

Members of the government who addressed the sitting pointed out that a multi-layer economy was intensively formed in the republic in 1994, including private business. About half of the manufactured gross national product was produced by the non-state sector.

Participants of the sitting also underlined that under liberalization of prices in Uzbekistan average inflation level has diminished two times by the end of the year, emission of cash has sharply reduced, foreign turnover has increased.

The sitting stressed the need for further deepening of market reforms in 1995.

'Erk' Party Trial Resumes

954F1270A Moscow NEZAVISIMAYA GAZETA in Russian 4 Feb 95 pp 1-2

[Article by Albert Musin: "Trial of Erk Party Activists Resumes in Tashkent: Behavior of the Defendants Was an Unpleasant Surprise for the Prosecution"]

[FBIS Translated Text]

Human Rights

After more than a three-month adjournment, the Supreme Court of Uzbekistan resumed the trial of the 'Erk' Party, which is charged with plotting a coup d'etat (see NEZAVISIMAYA GAZETA dated 23 September and 4 November 1994). However, as a matter of fact, the trial has just started: Formally opened on 25 October, it was repeatedly postponed. It appeared first that a majority of the defendants, who were imprisoned in the basement of the National Security Service back in June, did not have lawyers. Then an adjournment was declared "in connection with the need to translate more accurately materials of the investigation, which was conducted in the Russian and Uzbek languages." However, the main reason for such a long trial delay, apparently, was the effort of the authorities not to darken the mood of the citizens during the parliamentary elections.

The first full court session was held on 30 January. It started with the fact that Akhror Kadyrov, who is presiding in the trial and is a member of the collegium of the Supreme Court, announced: "The court, after consultations, and in the absence of the facts of the crime, has decided not to examine the indictment according to Article 191-4, part 2 ('Publicly insulting the president of the republic'). The bill of indictment was promulgated by Kadyr Matkholikov, senior assistant to the procurator general of the republic. A brief summary of the document is set forth below:

"Salay Madaminov (Mukhammad Solikh), leader of the Erk Party, a power-hungry person, for a long time nurtured insidious plans to seize power by violent means and to commit especially dangerous crimes against the state. He left Uzbekistan illegally in April of 1993, violating a recognizance not to leave which was issued to him in connection with his participation in a 1992 attempt to establish an alternative parliament—the 'milli majlis.' Being on the territory of a foreign state and guided by mercenary motives, contrary to the Erk Party program aims, and to the detriment of the interests of preserving the territorial integrity and national security of Uzbekistan, S. Madaminov decided to revive the publication and dissemination in Uzbekistan of Erk's newspaper, which is inciting distrust and hostility among the people toward the president and the government and calling for a struggle against the representatives of legally constituted authority and for the support of anticonstitutional organizations. To implement his plans, he gathered like-minded people and activists of the Erk Party—Dzhakhongir Mamatov, Yusuf Ruzimuradov, Murad Dzhurayev, Dilor Iskhakov, Mukhammad Bekzhonov, Erkin Ashurov, and others—thereby establishing an organized group to commit especially dangerous crimes against the state.

"The editing of Erk's newspaper, publication of which was stopped by a directive of the Goskompechat [State Committee for the Press] because of repeated violations of the law On the Mass Media of the Republic of

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Uzbekistan of 29 January 1993, was entrusted by S. Madaminov to Dzh. Mamatov (former director of Uzbek television and a Supreme Council deputy—A.M.), and the organization of production and dissemination of the newspaper—to M. Dzhurayev (also a former deputy of the Supreme Council and mayor of the city of Mubarek—A.M.).

"In addition, S. Madaminov proposed to M. Dzhurayev to recruit young men in Kashkaryinskaya Oblast (where Dzhurayev lived before emigration—A.M.) who are unemployed and single, who have served in the army, and who are between the ages of 21-25, and to send them to Turkey, so that after exposure to ideological influences in the spirit of Erk and after being trained to master all types of modern weapons, oriental hand-to-hand combat, and also commercial activity, they could be employed as bodyguards and militants. At the same time the young men would work in Turkish firms and allot part of their earnings for the needs of the party newspaper. After undergoing all-round training and returning to Uzbekistan, they would work on party propaganda and newspaper dissemination.

"M. Dzhurayev enlisted young men of his acquaintance in recruitment work, Sh. Kholboyev and N. Akhmedov, and afterwards, Kh. Suvonov, F. Kilichev, and Sh. Mamatov. With their help, 46 persons were selected, of whom 21, after acquiring border passports using forged documents, were sent to Turkey.

"S. Madaminov entrusted the financing of the activity of the especially dangerous group that he established to M. Bekzhonov, D. Issakov, Yu. Ruzimuradov, and others. As a result, from June 1993 to January 1994 these persons, from sources that the investigation was unable to determine, allocated $13,200 and 20 million soms for the aforementioned purposes.

"Through the measures employed by law enforcement organs it was possible to expose the activity of the criminal group and suppress it. Some of the active participants of the group were arrested. All of them, along with the young people deceived by them and other witnesses, gave testimony which proved that S. Madaminov and his accomplices were guilty of criminal deeds."

After the promulgation of the bill of indictment, all the defendants unanimously declared that they were not guilty, and that the testimonies had been wrung out of them under pressure and with the aid of deception. The principal defendant of those in the dock was Murad Dzhurayev, a former deputy of the Supreme Council and former mayor of the city of Mubarek, whom the court questioned first. He declared that the bill of indictment was composed in an extremely biased way, and that all arguments in favor of the fact that the defendants did not engage in the recruitment and training of militants (which is the main point of the prosecution) were deliberately omitted by the investigation. In response to efforts to lodge a protest with an investigator in this regard, Dzurayev reported, he was told that "the National Security Service is a state within a state, and it is useless to complain."

Dzhurayev declared in court that he slandered S. Madaminov (M. Solikh) and Dzh. Mamatov in part of the indictment with the intention of conducting a struggle with anticonstitutional methods, believing the promises of the investigation to release the rest of the defendants. Dzhurayev completely repudiated testimonies given earlier.

Those present in the courtroom (incidentally, exclusively relatives of the defendants—there were no local or foreign observers or correspondents) reported that this behavior of the defendants was an unpleasant surprise for the prosecution.

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Armenia

Presidents of Armenia, Azerbaijan Optimistic

NC1002214995 Yerevan NOYAN TAPAN in English 1351 GMT 10 Feb 95

[FBIS Transcribed Text] In the night of February 10 with the mediation of the Kazakhstan President Nazarbayev a meeting between the Armenian and Azerbaijan Presidents took place, during which, according to the information received, the Georgian President Eduard Shevardnadze was present. After the meeting Geydar Aliyev and Levon Ter-Petrosyan answered journalists' questions. Thus, asked when will the peace be established between Armenia and Azerbaijan Levon Ter-Petrosyan answered that first Armenia is not at war with Azerbaijan, and secondly, the cease-fire has been maintained during nine months, which testifies to the fact that the parties intend to preserve this status-quo until the Big political agreement is signed. "I am sure that a new round of negotiations initiated in Moscow under the aegis of OSCE with a new formula will lead us to a stable peace," said Levon Ter-Petrosyan.

The Azerbaijan President also expressed confidence that the good will demonstrated by the two sides was a guarantee of the progress in the way of signing the Big political agreement. He pointed out that noticeable changes have been observed after the Budapest summit.

Aliyev voiced a thought that the talks would yield appropriate results, which chiefly depend on both sides - the Armenian and Azerbaijan. "I assure You that Azerbaijan wants to put an end upon the war, to obtain a stable peace, to establish amiable relations with Armenia and aspires to the liquidation of the conflict," Aliyev said.

Nazarbayev expressed willingness together with the Russian and Ukrainian Presidents to be the guarantor of stability in Nagorno-Karabakh in exchange for that an admissible status of Karabakh would be given by Azerbaijan on condition of the integrity of its territories.

Defense Ministry: Azeri Troops Bombard Border Region

LD1002163295 Moscow ITAR-TASS in English 1549 GMT 10 Feb 95

[By ITAR-TASS correspondent Tigran Liloyan]

[FBIS Transcribed Text] Yerevan February 10 TASS— The Azeri side violated the ceasefire agreement on the north-western stretch of the Armenian border again, the press service of the Armenian Defence Ministry reported on Friday. From 22 hours ten minutes to 23 hours on Thursday [9 February] Azeri troops were firing at Armenian positions near Chinari village of Armenia's Taush district from rocketry units, mortars and machine guns. The Armenian side retaliated by suppressing the fire, the Defence Ministry reported. No loss of life nor destruction was caused.

Arutyunyan Views Armenia-Iran Relations

954F1257A Yerevan RESPUBLIKA ARMENIYA in Russian 4 Feb 95 p 1

[Interview with Vice President Gagik Arutyunyan, chairman of the State Commission for the Coordination of Armenian-Iranian Relations, by unidentified NOYAN TAPAN Agency correspondent; place and date not given: "Armenian-Iranian Relations Are Not Only of an Economic Nature, They Are Contributing to a Stabilization of the Situation in the Region Also"]

[FBIS Translated Text] [NOYAN TAPAN] How do you evaluate the present stage of Armenian-Iranian economic relations?

[Arutyunyan] The development of Armenian-Iranian economic relations has undergone two stages in recent years. The first was the original stage of the establishment of economic relations, which, in our view, may be considered complete. It was necessary at this stage first and foremost to create a particular legal field for the establishment of interstate relations to ensure that business entities acquire the opportunity to enter into actual relations and to cooperate. This was reflected in more than 20 various interstate agreements.

These agreements actually created and shaped the legal field for the main interstate relations. They afforded an opportunity, aside from the establishment of diplomatic relations, for the development of trade and economic and scientific-cultural ties, use of the possibilities of transit communications, and the creation of the conditions of the active commercial activity of the private sector and the formation of joint ventures.

Particular structures, which were able to work jointly, in the private sector included, were formed in this period. The trade and economic chambers stepped up their activity, and a joint trade and industry chamber was created. All this afforded an opportunity for the establishment of normal contractual relations and contributed to their development.

Over two to 2.5 years the range of trade and economic relations have expanded approximately 10-fold and commodity exchange between the two countries has, at a minimum, been doubling annually. Economic exhibitions were staged, two in Yerevan, and we subsequently took part in exhibitions organized in Tehran and Tabriz. This was also essentially the so-called exploratory economic stage, in the course of which business entities acquired the opportunity to get to know one another, to meet one another, and to evaluate the differences between themselves. Also very important in this period was the formation of a mechanism of border trade, which made it possible to organize the wholesale trade

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and marketing of merchandise and to familiarize ourselves with each other's possibilities.

Quite extensive cultural ties and contacts were developed also, and it may be said that normal traditional mutual relations were restored. Festivals were organized in Tehran and other Iranian cities and in Yerevan. Numerous cultural activities and meetings of scientists and such were staged (cooperation began, specifically, in the sphere of earthquake protection—an issue that is quite urgent for Iran also). While having in fact begun with the production- economic sphere, relations began to develop not only in depth, that is, in deeper seams of this sphere, but also by the attraction of increasingly new vital spheres.

[NOYAN TAPAN] An Iranian delegation headed by the minister of economics was in Yerevan recently. Can it be said that the results of this stage were summed up in the course of this visit?

[Arutyunyan] Essentially, yes. We concluded that the current system of relations is as yet imperfect and that a number of agreements needed to be updated. Times have changed, naturally, and the framework of relations has already expanded, and the need for new approaches and certain adjustments has arisen. The preparation and signing of new interstate agreements are essential for the development of broad production and economic relations. This is one aspect.

The second stage, which, we anticipate, will be realized henceforward, will be characterized by a number of particular features. First and foremost at this stage the legal field of interstate relations should become more integral. Three important economic documents and one document in the sphere of science and education are being prepared for signing in this connection at the present time. In the economic sphere this means the following documents: agreements on the mutual protection and stimulation of capital investments and the avoidance of dual taxation and an agreement on free trade.

These documents are being drafted and, according to the protocol, they should be ready within three months and signed in the course of the upcoming visit by the prime minister of Armenia to Iran. They will afford an opportunity for the transfer of economic relations from the sphere of trade to the sphere of production-economic cooperation to a greater extent: to the spheres of industry, agriculture, and construction and a number of geological branches, where joint programs for economic cooperation are already being drawn up.

A fourth document will represent an agreement on interstate cooperation in the field of science and education. We recently signed an interstate agreement in the sphere of culture. The document in preparation will afford an opportunity also for definite cooperation between the two countries in the sphere of the use of scientific and scientific-production potential.

At this stage we will endeavor to extend cooperation even further in the sphere of culture. It has, truly, existed down the ages, our cultures have many points of contact, and we should increase the number of our joint activities in this field, which is a principal factor of the mutual enrichment of our two peoples.

The program even provides for the creation here, in Yerevan, of an Iranian cultural center and for the formation of an Armenian cultural center in Tehran, and our relations will be stimulated considerably in this sphere.

These documents will be the basis for the resolution of the main problem of this stage.

[NOYAN TAPAN] Tell us in more detail, if you will, about the particular features of the second stage.

[Arutyunyan] The first stage was characterized by economic cooperation mainly in the form of a broadening of the framework of trade ties. At the present time, however, many business entities are displaying an interest in the creation of joint ventures, a joint move onto the external market, and the more efficient use of mutual possibilities. Iran's enterprises have great possibilities and definite technical potential. We have highly skilled specialists and scientific-production possibilities which, for various reasons, are not being used in full, and cooperation in this sphere will afford an opportunity to make greater use of the mutual potential and permit the expectation of even more significant joint results.

Stage two will be characterized also by the extensive use of both countries' transit possibilities. We have performed a great deal of preparatory work on the repair of roads or their preparation for the conditions of international freight haulage, but this is a question that has yet to be solved conclusively. There are serious problems on the Megri-Yerevan section of road, which has, in addition, to be brought to the proper condition. The Iranian side has performed a fair amount of work up to the border to improve its possibilities in terms of highway traffic. We have, in addition, to reach agreement with the Georgian side. This matter has already been discussed in preliminary fashion, and the general approach in principle is as follows: It is essential that the Persian Sea-Armenia-Georgia (Black Sea) segment may be used efficiently for freight transportation. This also will be a characteristic feature of the second stage.

Third stage: The most characteristic feature of this will be the implementation of particular joint programs in the field of power engineering. These programs are basically in the discussion phase. They will shortly be specified in greater detail, most likely, and we will be able to find solutions on this basis.

We have set ourselves at this stage the accomplishment of one further task, to which I also attach considerable importance. This means the creation of new additional prerequisites for cooperation in the private sector to

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ensure that this cooperation develop efficiently. This means primarily the surmounting of the difficulties that have been created in the banking sphere: This is an important issue for the intereconomic field. It has already been resolved partially. A branch of Melat, one of Iran's biggest banks, which will contribute appreciably to the stimulation of economic cooperation and, specifically, the private sector, has been opened in Yerevan.

Second, we have reached agreement in principle on the creation in Yerevan of an Iranian insurance organization. The market substructures are only just being created in our republic. And business entities are only just starting to be aware of the active role of these substructures in economic relations, but in countries where market relations are developed, they are an essential accessory: The efficient development of economic relations is impossible without insurance companies, without auxiliary marketing services, and without other market substructures. It is for this reason that we are putting the emphasis on these matters also, specifically, the creation of a branch of the insurance service and a further strengthening of the role of the trade and industry chambers in the sphere of the preliminary discussion of various contested issues and mediation functions.

The streamlining of business relations so that the development of ties be efficient for business people, particularly of the private sector, and so that the questions that arise here have a mechanism for their solution has become an important matter also. There are now many such instances. People are even appealing to our Commission for Armenian-Iranian Relations, although the solution of such matters is not part of our functions. Matters of dispute between the parties to a deal have arisen, say—they should be helped to resolve them prior to their resolution in legal form. This happens because reciprocal contracts and agreements are imperfect and are drafted at a low level or with errors. It is at the time of the conclusion or after the conclusion of a contract that various disagreements arise. We have devised a mechanism, with the aid of which business entities will hold preliminary consultations and will formalize reciprocal agreements and disagreements correctly. After this, the settlement of these matters in court or at arbitration will be simplified considerably. We have reached agreement concerning the organization of permanent seminars. Our business entities frequently have no real idea of the economic field: here or there. For example, present from the Iranian side at this first seminar, which was held during my visit and in which I participated, were, together with the commission, more than 40 business people intent on meeting here and becoming acquainted. They displayed great interest in our program of privatization and laws and in how the participation of foreigners is made possible. They also inquired about the mechanisms of the creation of joint ventures in our republic and the tax and customs systems. Naturally, the information for a business entity should be integral and should afford it an opportunity to adopt a decision, particularly in the event of it wanting to make investments. In this sense these seminars will perform a big role. They will be conducted periodically for our business entities and theirs both here and in Tehran, which will afford an opportunity for the development of active economic ties and relations, in the private sector particularly.

[NOYAN TAPAN] So, you are optimistic?

[Arutyunyan] As a whole, I have to say that Armenia's relations with Iran are developing normally, as should be the case between neighbors.

We are neighboring states which have had normal relations for centuries, and it is natural that these relations should be developed. They should be mutually beneficial and serve the desires, goals, and aspirations of the two peoples. In this respect, in my estimation, even in the difficult situation that has been created in the region, Iran is pursuing a very farsighted and flexible policy, developing normal relations with all its neighbors, which is contributing to a large extent to the assurance of stability in the region. This is a wise policy, and we welcome this position and, in turn, see the development of our relations with Iran not only as a way toward the solution of specific economic questions, indeed, this is a factor contributing to a stabilization of the situation in the region. These relations will be developed as dynamically in the future also.

Weekly Publication's Editor Freed From Prison

NC1002140595 Yerevan NOYAN TAPAN in English 1037 GMT 10 Feb 95

[FBIS Transcribed Text] Yerevan, 10 February, NOYAN TAPAN—According to the Armenian State National Security Department, in compliance with the alteration of the preventive measure the head editor of the "MARZASHKHAR" weekly Roland Sharoyan, which has been arrested together with other members of the Party ARF [Armenian Revolutionary Federation]-Dashnaktsutyun, was set free. Roland Sharoyan is incriminated to the article No206 of the Armenian Criminal Code "Misprision of felony". Many public and rights defending Armenian organizations have been striving to release Sharoyan, stipulating their efforts by worsening of his health.

Azerbaijan

Aliyev Adviser: Karabakh Cease-Fire To Be Honored

LD1102182795 Moscow INTERFAX in English 1623 GMT 11 Feb 95

[FBIS Transcribed Text] MOSCOW, February 11 (Interfax)—Azerbaijan intends to respect the Karabakh cease-fire agreement.

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An adviser to President Aliyev and the head of the Azeri delegation to the Karabakh negotiations Vafa Guluzade dismissed contrary reports as "innuendo." "Azerbaijan treasures peace and will resist provocational attempts to make it violate the ceasefire agreement," Guluzade told Interfax Saturday [11 February].

"On agreement with Armenia, the ceasefire will hold until a peace treaty is signed and the armed conflict is over," Guluzade said. Azerbaijan, according to Guluzade, has no intention of going back on its pledges.

The Moscow-based negotiations on Nagorno Karabakh produced no "cardinal decisions", for fault of the Yerevan and Stepanakert delegations which "attempted to lead them into the quicksand of deciphering international documents," Guluzade said. The negotiations were held under the auspices of the Minsk group of the Organization for Security and Cooperation in Europe.

"Acting with support from Yerevan, the Armenian community of Nagorno Karabakh is pressing for the status of a conflicting party. It cites documents of the OSCE Budapest summit which, it says, recognize, however indirectly, Nagorno Karabakh as a conflicting party," Guluzade said.

But Baku cannot accept that point of view. It sees Azerbaijan and Armenia as the only parties in conflict. "As for the alleged recognition of Nagorno Karabakh by the Organization for Security and Cooperation in Europe, the OSCE member-nations are strong enough to use plain language instead of beating around the bush. If they wanted to recognize Nagorno Karabakh, they would have recognized it a long while ago," he told Interfax.

"Baku will not allow Karabakh to enjoy a legal status until the basic problems, including that of the Armenian pullout from the occupied Azeri territories, have been resolved. And then it will be inessential who signs this or that document," Guluzade said.

And yet, Guluzade refuses to think that the Moscow negotiations have ended in a stalemate. In his view, the negotiations have proved "how groundless the other party's claims are." Guluzade hopes that "the other party" will "reconsider its tactical line" for the next round of the negotiations which is to be held in Vienna.

Guluzade made very useful "personal contacts" in Moscow. The negotiators are normal people and can communicate in a normal way, he said. He, for one, had met with representatives of both Armenia and the Armenian community of Nagorno Karabakh, including Arkady Gukasyan, and is on good terms with Gukasyan, he said.

Official on Karabakh as Party to Conflict

LD1202174095 Moscow INTERFAX in English 1403 GMT 12 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 12 (Interfax)—Foreign Minister of the self-proclaimed Nagorno-Karabakh Republic Arkadi Ghukasyan said that recognition of Karabakh as a party to the Armenian-Azerbaijani conflict must not be considered as Baku making a concession. He said this would mean that Baku recognized reality.

Commenting on the refusal of Azerbaijan to recognize Karabakh as a party to the conflict during the talks in Moscow this week, Ghukasyan told Interfax that Karabakh would have no objections if the world community truly believed that the Karabakh conflict could be settled otherwise.

Ghukasyan said that the situation was "absurd." He said he wondered who would be responsible for troop withdrawal from the Azerbaijani territories if Baku did not change its position on Karabakh.

Ghukasyan said that the guarantees for security of Nagorno-Karabakh proposed by the mediators were insufficient comparing to the present ones. He said the ceasefire regime observed from May 12 was a result of a certain balance appeared on the front rather than an achievement of mediators. He said the defense positions of Karabakh were nearly ideal. Karabakh has taken all key heights from which it can watch over Azerbaijani troops, he added.

Ghukasyan said that if the international separating forces were introduced to the region the "degree of risk" would be different for Azerbaijan and Nagorno-Karabakh as by that time Karabakh could have had its troops withdrawn from the occupied territories. He said he also feared that such international troops would leave as soon as they see the first fighting. "In fact, we are proposed to sacrifice the security elements which we have today in exchange for introduction of the separating troops which are incapable of ensuring our security," he said. Ghukasyan said Nagorno-Karabakh would discuss political issues only after it made sure that the security guarantees were sufficient.

Ghukasyan confirmed the position of Nagorno-Karabakh standing against participation of Turkey in the separating troops. "Turkey had no moral right even to raise the issue," he added.

People's Front Statement: Elchibey To Return

NC1002140695 Yerevan SNARK in English 1332 GMT 10 Feb 95

[FBIS Transcribed Text] Baku, February 10 (SNARK)—The Ex-President of Azerbaijan, Abulfaz Elchibey intends to leave his sanctuary in Keleki village of Nakhichevan and return to Baku in the nearest future. According to a statement of National [People's] Front of Azerbaijan (NFA), spread these days, such decision of Elchibey is dictated by his wish to return to political activity again.

However, as Deputy Chairman of NFA, Ali Kerimov said, the question is not about the return of the Ex-President but about continuation of his political activity

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in Baku. Confirming the information about possible return of Elchibey to the capital of Azerbaijan, Ali Kerimov informed that the next session of NFA will be opened on March 25. According to him, presently the authority of Abulfaz Elchibey grows among all levels of population of the republic.

Georgia

Shevardnadze To Join CIS Accords if Jurisdiction Restored

LD1102155595 Tbilisi SAKINFORM in Russian 1117 GMT 11 Feb 95

[FBIS Translated Text] [no dateline as received] Speaking about the gathering of the council of CIS heads of state in the Kazakh capital Almaty on 10 February and his meetings with Russian President Boris Yeltsin and other CIS leaders, Eduard Shevardnadze has said at a news conference that, in his opinion, the Almaty meeting is an event of paramount importance for all members of the CIS. He said that the main result of the meeting was unanimity on the part of all the leaders on the issue of aggressive separatism. This was expressed by the adoption of Shevardnadze's amendment to the memorandum on peace and stability in the CIS calling for joint action by CIS member states against separatism, nationalism, and fascism, which are, to a varying degree, a matter of concern for all the countries of the former USSR.

The Almaty meetings of CIS heads of state, heads of government, foreign and defense ministers, and commanders of CIS member states' border troops examined documents envisaging cooperation in economics, transport, customs, state security, border protection, and other areas, which, according to Shevardnadze, would promote further integration within the CIS, help restore traditional relations, and strengthen new ties among member states. Shevardnadze said that Georgia is ready to join these agreements, but only after the jurisdiction of the Georgian state is restored throughout its territory.

Section of Gas Pipeline Reported Blown Up

LD1102195495 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 11 Feb 95

[FBIS Translated Text] A gas pipeline to Armenia has again been blown up in Georgia. This happened last night in Marneulskiy Rayon. A 30 meter section of the pipeline has been damaged. This is the first explosion along a gas pipeline on Georgian territory since the beginning of the year.

Abkhaz Speaker Favors Compromise With Georgia

LD1102223695 Moscow ITAR-TASS World Service in Russian 1802 GMT 11 Feb 95

[By ITAR-TASS correspondent Viktor Kuznetsov]

[FBIS Translated Text] Moscow, 11 Feb—"Abkhazia and Georgia should seek further ways to reach a mutally agreeable compromise. Otherwise, war is inevitable," Sokrat Dzhinzholia, speaker of the Abkhazian parliament, said today. This evening he arrived in Moscow from Geneva where another round of Georgian-Abkhazian talks had been held under UN auspices and with support from the Russian Federation.

Touching upon the talks held in Geneva and prospects for resolving the problems existing between Abkhazia and Georgia, the speaker said in an exclusive interview to ITAR-TASS that in Geneva a significant step forward was made on the basis of the principles for a political settlement laid out in statements the sides made on 4 April 1994. The issue of state and legal relations will be discussed on 15 February in Moscow by experts and then by delegations in March.

Speaking about the possibilities of confederative relations with Georgia, Sokrat Dzhinzholia said that this form of state structure would mean the equality of states in having their own armed forces, currency and other. A further discusion on these issues was needed. There are sensible people in Georgia who will accept this idea in the right way.

Says Abkhazia To Remain Independent

LD1202173295 Moscow INTERFAX in English 1403 GMT 12 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 12 (Interfax)—Abkhazia will maintain its independence from Georgia. There is no way to speak about any federation between the two republics, Chairman of the Abkhaz Parliament, Chief Negotiator for Georgian-Abkhaz talks Sokrat Dzhinzholia told Interfax in an interview on Saturday [11 February].

He denied information that Abkhazia must introduce a schedule for return of refugees before February 15.

Commenting on the statement of Tbilisi that the Abkhaz delegation is ready to create a federation as "single Georgian state" allegedly made during the last round of talks in Geneva on February 9, Dzhinzholia said that Abkhazia and Georgia must be equal and must be a confederation. He said this would be the best way for the two parties as any other proposals would be unacceptable either for Georgia or for Abkhazia.

He stressed that only independent countries could create a confederation.

Dzhinzholia said that during the previous talks Georgia and Abkhazia had agreed that they were equal and would decide on power-sharing. In accordance with the statement on measures for political settlement of the Georgian-Abkhaz conflict of April 4, 1994, the spheres of joint authority are: the foreign policy and foreign economic relations, the border guard and customs services, energy, transport, communications, environment,

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dealing with the effects of natural disasters, the civil rights and liberties and the rights of ethnic minorities.

Dzhinzholia said that experts would continue to discuss power-sharing in Moscow on February 15. He said the quadrilateral commission on refugees would also hold a meeting in Moscow next week. He said return of refugees was directly linked with political settlement of the conflict. He said refugees should know if they would return to "independent Abkhazia or to some other Abkhazia." Dzhinzholia said that about 310 refugees had officially returned to Abkhazia by the present moment. Abkhaz non-official sources said the number was about 40,000 refugees. The UN High Commission for Refugees said 25,000-30,000 refugees had come back to Abkhazia.

Dzhinzholia said he hoped that Russia would carry out its obligations and that Russian peacekeeping forces would remain in the zone of the conflict until it was resolved. He said that otherwise military actions could renew.

Does Not Rule Out Confederation

LD1202175295 Moscow ITAR-TASS in English 1633 GMT 12 Feb 95

[By ITAR-TASS correspondent Irina Shchegoleva]

[FBIS Transcribed Text] Sochi February 12 TASS—Abkhazian parliament chairman Sokrat Dzhinzholia said the establishment of confederative relations between Georgia and Abkhazia is one of the possible solutions to the Georgian-Abkhazian conflict.

Dzhinzholia told ITAR-TASS upon his return from Geneva, where he had taken part in the Georgian-Abkhazian talks, that a confederation can be built only between two independent states.

"We intend to build our relations with Georgia on the basis of equality. The document on which we worked in Geneva and on which experts will continue working in Moscow on February 15 is a step towards building confederative relations between Georgia and Abkhazia," he said.

Dzhinzholia noted that a four-party commission for refugees and displaced persons will soon resume work after almost a two-month break.

The commission—which includes representatives of Georgia, Abkhazia, the Russian Foreign Ministry, the Federal Migration Service of the Russian Federation and a mission of the U.N. High Commissioner for Refugees—has held 11 sessions and adopted a number of documents concerning the return of refugees and their safety.

The commission will reconvene in Moscow in mid-February, Dzhinzholia said.

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Estonia

Meri Receives EU Official, Discusses Membership

LD1002202895 Tallinn Radio Tallinn Network in Estonian 1700 GMT 10 Feb 95

[FBIS Translated Excerpt] Estonian President Lennart Meri today received Hans van den Broek, the EU commissioner for external political relations, and an accompanying delegation. Discussed at the meeting, held in Kadriorg, the president's residence in Tallinn, was the EU criteria for giving full membership to associate members. An association agreement with Estonia is expected to be signed this spring.

Hans van den Broek emphasized that every membership application is considered on its own merits. Accepting a state as an EU member does not depend on the time the application is submitted. Also discussed possible developments in Russia, especially in the context of the Chechnya crisis. The meeting participants analyzed the possibilities for international organizations to guarantee stability in Russia. President Lennart Meri emphasized the need for a specific political dialogue with Russia. The meeting also discussed the role of international organizations in today's world, especially in the context of the 50th anniversary of the United Nations. [passage omitted]

Commissioner Ends Talks, Visit

LD1002224595 Tallinn Radio Tallinn Network in Estonian 1800 GMT 10 Feb 95

[FBIS Translated Excerpt] Hans van den Broek, the EU commissioner for external political relations, today completed his visit to Estonia. Mall Malberg reports:

[Malberg] Speaking at a news conference in the Foreign Ministry this morning, Hans van den Broek said that, hopefully, Estonia and the EU will sign the EU agreement on associate membership within the first half of this year. [passage omitted]

At the same conference, Estonian Foreign Minister Juri Luik explained Estonia's main positions on negotiations over the European agreement. Estonia thinks that its status as an associate member country makes it suitable to become an EU full member without going through a transition period. This, however, does not mean that it would definitely happen this way. Juri Luik also emphasized that Estonia regards as extremely important an intensive economic and political dialogue with other EU countries. Hans van den Broek and Juri Luik had earlier discussed the details of the agreement, the Estonian legislation, and also the free movement of capital; the latter is of some concern to the EU. The guest was reassured that Estonia would not set up any restrictions in this area.

Hans van den Broek today met Prime Minister Andres Tarand, Economics Minister Toivo Jurgenson, Vello Saatpalu, chairman of the Riigikogu Foreign Affairs Commission, Vaino Sarnet, director general of the Privatization Agency, and other officials. [passage omitted]

Inaccuracy in 'Otherwise Correct' Human Rights Report

WS1302114395 Tallinn BNS in English 1618 GMT 10 Feb 95

[FBIS Transcribed Text] Tallinn, Feb 10, BNS—The U.S. State Department report on the human rights situation in Estonia in 1994, while otherwise correct, contained an inaccuracy concerning the Estonian police. The report stated that six policemen were found guilty of beating detainees and, as a result, fined and sentenced to up to 30 months in prison.

Interior Ministry spokeswoman Kaja Tullus told BNS the Police Department believe this to be a "misunderstanding."

"Not a single policeman has been convicted. At present only the case against two members of the police "K" special task force accused of beating detainees is in court," she said.

The report also mistakenly said there were around one hundred asylum seekers in Estonia, while actually none of the Kurdish and Afghan refugees now in the country has sought political asylum in Estonia.

On the whole, the document presented the human rights situation in Estonia as positive, but pointed out there had been cases of abuse of those rights by the police, as well as in prisons. Estonian Foreign Ministry Deputy Chancellor Raul Malk characterized the report as "correct and competent."

Government Rejects Idea of Tax-Free Zone

LD1002174495 Tallinn Radio Tallinn Network in Estonian 1600 GMT 10 Feb 95

[FBIS Translated Text] The government has decided not to set up a tax-free zone in Estonia. Ain Saarna, government press representative, told a news conference that economic and cultural beliefs in our economic region are somewhat different from those required for a tax-free zone. Saarna added that the concept of a tax-free zone was also incompatible with the principles of the European Union and, therefore, when implementing such a plan, Estonia would be likely to face much confusion and a lack of understanding.

According to Ain Saarna, at a government sitting 9 February, Interior Minister Kaido Kama expressed the view that Estonia should first of all sort out the already existing black economy. The setting up of a tax-free zone could only bring about additional complications like international money laundering, Kama thought.

The government took this negative decision after hearing a government commission's report that analyzed the possibility of and the need for a tax-free zone.

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Latvia

Gailis Lauds Admittance to CE as Integration Step

WS1302114495 Tallinn BNS in English 1559 GMT 11 Feb 95

[FBIS Transcribed Text] Riga, Feb 11, BNS—With Latvia's admittance to the Council of Europe [CE], the Baltic state "has politically joined Europe," Latvian Prime Minister Maris Gailis said at a press conference after returning from Strasbourg.

Gailis said Latvia's next task was to economically integrate in Europe and join the European Union.

Latvia's permanent delegation to CE Head Andrejs Pantelejevs said Latvia would be represented in CE Parliamentary Assembly by six officials.

The delegation will be composed by the Saeima (parliament), and the delegation's mandate will be then confirmed in the CE. All the member state parliament's political forces must be represented in the delegation, otherwise CE could fail to confirm the mandate, noted Pantelejevs.

He has already advised the Saeima to include in the Latvian delegation two representatives of the Latvia's Way faction, two of the National Bloc and two from the Centric Parties Forum.

In addition, Latvia will be represented by Foreign Minister Valdis Birkavs in the CE Committee of Ministers, and his deputy will be Latvia's ambassador to Strasbourg. Presently Andris Teikmanis performs these duties. Next week the Foreign Ministry and the Cabinet will decide who will occupy this post in the future.

Latvian delegation's mandate could be confirmed on March 17, during the meeting of the CE Permanent Committee, therefore the Saeima should finish composition of the delegation by this date, noted Pantelejevs.

Gailis stressed in the press conference that Latvia's admittance to CE was a goal, reaching of which was promoted by all the Latvian governments and foreign ministers after Latvia gained its independence.

The ceremony of Latvia's admittance to CE was attended by the president of Iceland, Swedish vice prime ministers, Slovenian prime minister, Estonian parliament's vice speaker and Lithuanian foreign minister, said Birkavs.

Gailis Acclaims Progress in Russian Relations

LD1002174195 Moscow ITAR-TASS in English 1554 GMT 10 Feb 95

[By ITAR-TASS correspondent Konstantin Pribytkov]

[FBIS Transcribed Text] Geneva February 10 TASS—The tension between Riga and Moscow, caused by their different approaches to the rights of the Russian-speaking population in Latvia, has recently subsided. This view was expressed by Latvian Prime Minister Maris Gailis, who was interviewed by ITAR-TASS here on Thursday [9 February]. Gailis acclaimed the progress achieved in the Latvian-Russian relations, stressing that last year's withdrawal of Russian troops from Latvia had marked a turning point in the relations between the two countries.

The Latvian prime minister, who paid a brief visit to Geneva, where he addressed on Thursday the 51st session of the Human Rights Commission and met leaders of the European U.N. office, said that the withdrawal of Russian troops had "laid a good foundation for the development of relations with Russia". Trade between the two countries was growing, and several agreements were signed, while many others are on the drawing board. "We had looked forward to Viktor Chernomyrdin's promised visit to Latvia, but it was put off for different reasons," the premier noted. "And then we decided not to wait for the signing of a whole package of documents, but to conclude agreements on separate problems and between separate ministries."

"I think that the process of naturalisation, which has begun in Latvia, was an important contribution to the improvement of our relations," Gailis stated. "We have adopted a law on citizenship, and genuine naturalisation began on February 1st. This makes clear to all the population of the republic when, in what order, and on what terms they can become citizens of Latvia."

Noting that the dispute between Riga and Moscow on the citizenship rights of the Russian-speaking population was less acute today, the Latvian premier noted at the same time: "Of course, there are forces or certain groups in Russia, which are endeavouring to aggravate this problem." He said that "all those, who had looked into this situation in Latvia, could not find any serious problems".

Touching on the situation in Chechnya, the premier stressed that, "as most countries, we want domestic and international conflicts to be settled without fire or blood". "It is necessary to stop the bloodshed," he stressed.

Minister Discusses Lainbank Case

WS1002155195 Tallinn BNS in English 1319 GMT 10 Feb 95

[FBIS Transcribed Text] Riga, Feb 10, BNS—If Latvia wants to become a rule-of-law state, it has to stop thinking that Ministers are the only people responsible for concrete criminal cases, said Interior Minister Janis Adamsons.

Investigators are responsible for this, Adamsons said Thursday [9 February] in response to a demand by MP's to provide explanations for the "Lainbank case."

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The court and the Prosecutor's Office have not noted any breach of procedure in the detention of Latvian Industrial Bank officers, Adamsons said. Moreover, investigators have found additional evidence to try the bank management for misconduct, distorting accounts and counterfeit, said Interior Ministry senior official Janis Apelis.

As reported earlier, Lainbank President Vilis Dambins and Vice President Valts Vigants were detained on suspicion of large-scale fraud.

When asked whether the "Lainbank case" would undermine Latvia's international prestige and bank system, Adamsons answered that "banks' illegal activities also undermine their prestige."

If "the Lainbank" case had not been detected, the bank's financial and commercial activities would have had "more serious consequences," said Apelis.

The interior minister also claims that the media were used to exert pressure on the authorities to prevent an investigation. The MP's demand for information is a similar attempt, he noted.

Troopers of the special forces squad which participated in the arrest of Vilis Dambins and Valts Vigants are first and foremost policemen, said Adamsons.

Adamsons claims that the "appropriate authorities" make the decision to use the squad in police operations. He said that the troopers were used in this instance because of the need "for a large number of police officers" to manage the confiscation of all necessary documents. When asked why the police took away the originals of credit records, Adamsons said the investigator had considered it necessary. Commenting on the cut-off of Lainbank's telex and fax lines, Adamsons said the decision was made by the Riga Vidzeme District Court.

The minister declined to give the name of the person who lodged the claim against the Lainbank management.

"The investigator was right when taking this decision (to arrest the bankers) and this is confirmed by the security measures taken by the judge and the search warrants issued," said Adamsons.

Adamsons admitted that Dambins had temporarily been remanded in the same cell as an extortion suspect in the case of Ivan Haritonov's gang. Earlier this week, Adamsons had denied the fact.

Statistics Show Inflation Rate Jumps to 3.5 Percent

WS1002153895 Tallinn BNS in English 1319 GMT 10 Feb 95

[FBIS Transcribed Text] Riga, Feb 10, BNS—Latvia's consumer prices jumped 3.5 percent in January compared to December 1994, the Statistics Committee reported.

The monthly inflation rate in January was the second highest over the previous year. It was exceeded only by January 1994 when the rate of inflation was 3.8 percent.

In December 1994, the inflation rate was 2.4 percent. Prices rose 26.3 percent over the period 1993-94.

The inflation rate was high in January because the month brought a seasonal increase in food prices, said Statistics Committee official Aina Zigure.

The inflation level will be down again in the next months, she said.

The Statistics Committee expects the 1995 inflation rate to be in the range of 20-25 percent.

In January, prices for basic food stuffs substantially increased: butter (32.7 percent), margarine (30.9 percent), potatoes (31.5 percent), eggs (7.1 percent), milk and dairy products (5 percent).

Insurance costs also became more expensive in January, for example, furniture insurance grew 73.4 percent, while car insurance went up by 42 percent.

In separate groups of goods the inflation rate was as follows: food stuffs—5.3 percent (3.7 percent in December), clothing and footwear—1.6 percent (6.8 percent), rent—1.3 percent (0.7 percent), household items—1.8 percent (1 percent), transport and communications—2.3 percent (0.1 percent), alcohol and tobacco—1.6 percent (2.7 percent).

In January, only grain products and fish products went down a respective 1.6 percent and 0.6 percent.

The January rate of inflation ran at 3.5 percent in Estonia and 5.7 percent in Lithuania. Lithuania has not experienced such a high inflation rate since May 1994 when prices soared 6.2 percent.

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